

HIGHGATE

**HIGHGATE SCHOOL
GOVERNORS' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019**

**Haysmacintyre LLP
Chartered Accountants
Registered Auditors**

HIGHGATE SCHOOL

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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HIGHGATE SCHOOL

CHAIRMAN'S FOREWORD

FOR THE YEAR ENDED 31 JULY 2019

CHAIRMAN'S FOREWORD

I am pleased to present Highgate School's report and accounts for the year ending 31 July 2019, following another year of excellent achievements, across many fronts as described more fully in this report.

Our continuing imperatives as a school – to keep pupils safe and happy and to ensure that they receive the best possible education – remain constant but I hope that this report will enable those interested in Highgate to understand something of the energy and self-reflective determination which characterise the School in consistently striving to improve how those imperatives are delivered. Additionally, significant commitment continues, and I hope is captured within this report, to strengthen what it means, as a school, to be a charity; I and my fellow governors strongly support the Head's determination to pursue greater impact still of Highgate as a charity.

Indeed, in September 2019 (post year-end), Highgate was selected as both the Independent School of the Year 2019 and the Independent School of the Year for Contribution to Social Mobility 2019 within the Independent Schools of the Year 2019 award scheme designed by *Independent School Parent* magazine. These awards celebrate our extensive contribution to the educational growth and wellbeing of children across London and beyond.

Highgate achieves what it does only through the sterling work of all its staff. I take this opportunity to thank them for their enthusiasm and all that they do both to sustain and enhance the quality and standing of the School, and to spread the same standards of quality and excellence among our growing range of partner schools. I thank also my fellow governors for their support and unswerving commitment to the good of the School.

Bob Rothenberg MBE

HIGHGATE SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

CHARITABLE OBJECTS

Our charitable objectives are set out in the Scheme of Governance as:

- the advancement of education by the provision of a school in or near Highgate, the provision of incidental or ancillary educational activities, and the undertaking of associated activities for the benefit of the public; and
- in so far as the Governors think fit (and so long as they, in their discretion, consider that the object stated in clause 1 is being properly provided for) the relief of the poor.

OBJECTIVES AS A SCHOOL 2018-19

Our School has a development plan for 2015-20 that sets objectives specifically for our charity and school as a whole, as well as, more specifically, for our three separate schools.

The current ongoing priorities for our three schools are:

- To secure our national and local reputation for high-calibre, academically-minded teaching, with a focus on scholarship and independence for all, complimented by a dynamic co-curricular and employability programme and by experience of service and community, to grow the whole person;
- To enhance Highgate's impact, standing and reputation as an educational charity which transfers educational advantage to schools in need of support and sets a model for schooling as a portable example to others;
- To put sustainability at the heart of our School's development, generating a better quality of life, whilst improving local environmental conditions for our School community and local people;
- To increase Highgate's diversity and accessibility as a school;
- To increase Highgate's non-fee income base; and
- To equip Highgate with facilities appropriate for its educational mission and ethos, currently in drama, music, sport and sixth form teaching.

Within our Pre-Preparatory School (Nursery, Reception and Years 1-2), our academic priorities are:

- To support our teachers to reflect upon and improve their leadership skills in order to deliver successful and sustainable school improvement to pupils; and
- To develop pupils' understanding and experience of creating an environmentally friendly school and to be aware of the impact they have on the environment.

Within our Junior School (Years 3-6), our academic priorities are:

- To ensure that pupils believe there is no ceiling to what they can achieve by the time they leave Year 6, and adapting curriculum planning and teaching accordingly; and
- To ensure that all pupils, rather than just some, are engaged in high-quality, varied and well-monitored co-curricular activities so that they develop self-confidence and know themselves to be equally valued for their contribution and achievement.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

OBJECTIVES AS A SCHOOL 2018-19 (continued)

Within our Senior School (Years 7-13), our academic priorities are:

- To enable all pupils to view academic struggle as a normal and valuable aspect of their learning, with a focus on colleagues' effective use of differentiation to support painful struggle;
- To continue to make aspiration and ambition the guiding principles of Y10 and 11 teaching, so that both years are academically stimulating, enriching and enjoyable, and are seen as preparation for Sixth Form study;
- To capitalise on the regeneration of academic culture in the Sixth Form by promoting scholarship for all and teaching pupils how to be independent;
- To create a positive culture of community in which all staff and pupils seek out opportunities to build positive relations so that each individual feels encouraged and valued; and
- To increase pupils' active participation in our School and wider communities through a greater understanding of the transformative power of 'service' and 'pupil voice'.

The aims of our School remain: (1) To provide a place for learning and scholarship; (2) To be a reflective community; and (3) To be an exemplar for the healthy life.

These aims are underpinned by a guiding ethos with respect to all our activities.

ACTIVITIES OF THE SCHOOL

Academic

Pre-Preparatory School. The 2018-19 academic year saw a number of great successes and developments. Taking on the challenge of becoming an Eco-School, the School achieved the Bronze Award and took great strides to achieving the Silver Award. These self-accredited stepping stones are part of the Pre-Preparatory School working up to the Eco-Schools Green Flag level, an internationally recognized award for excellence in environmental action and learning. Pupils elected their own eco-counsellors at the start of the year, who created and implemented an action plan, focusing on reducing water usage, recycling and saving energy. Regular meetings have ensured continued focus throughout the year. Pupils also coordinated and participated in a very successful whole-school Eco-Learning Day.

To enhance leadership skills, several members of staff completed the National Professional Qualification for Middle Leadership (NPQML), with great success. This involved training days, as well as online training, forums and assignments, to enable all staff to further enhance their leadership skills. All staff involved have introduced high-impact changes and led whole-staff training sessions.

Maths Mastery has been consolidated further in Key Stage One, and has now been introduced into Reception, to ensure a consistent approach across the School. Staff training, as well as the addition of new mastery resources, have supported staff in this change.

There have been some key developments to parental reporting this year. A new format now provides parents with a succinct and clear overview of their child(ren). Further work is planned on this for the next academic year.

After over 25 years of children joining Highgate Pre-Preparatory School at age 3 (half-day sessions in Nursery), a decision was made and published during the financial year that, from September 2021, entry will change to age 4 (full-day sessions in Reception), with an additional class of 20 joining the 40 children progressing from our final 3+ Nursery class. From September 2022, around 60 children will be able to join our Pre-Preparatory School at 4+.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF THE SCHOOL (continued)

Academic (continued)

Junior School. The transition to five classes in Year 3 and Year 5 has been made successfully; from September 2019, the School will have five forms across all year groups. The facilities are being used well and all pupils are benefitting from the break-out areas outside the classrooms and the specialist teaching areas. The School continues to be a vibrant environment and a positive place to learn, with the building itself acting as perfect gallery space to display the extensive and varied artwork produced within school.

The key academic focus is to continue to develop a bespoke curriculum that makes the most of our independent status and delivers stretch and challenge to all pupils. With an emphasis on developing character skills, learning in all subject areas now goes beyond the development of knowledge, skills and understanding, and looks at the wider skills needed to develop a positive attitude and disposition towards learning. The importance of recognising all pupils as individuals is also key.

We provide a rich variety of trips and visits, including trips this year to Sky Studios, Bletchley Park and The Royal Courts of Justice. These are curriculum driven and often have a cross-curricular emphasis. Going forward we will be looking at ways to reduce the environmental impact of trips and visits, looking to invite more groups into the School for in-house events.

Music and drama continue to thrive. Each year group is involved in a drama production ranging this year from Roald Dahl sketches in Year 3, mini-musicals in Year 4, iMovie trailers in Year 5 and our Year 6 showcase production of *Charlie and the Chocolate Factory*. Plans are in place to build on this format to ensure that all pupils continue to have opportunities to perform. Links will be made to other curriculum areas such as art, DTE, ICT and music. Instrumental concerts continue to feature on a termly basis and are supplemented by informal class concerts.

The academic profile of the School continues to be strong, as evidenced by standardised tests (INCAS) and internal assessments. That said the approach to formally assessing pupils is low key and ongoing communication with parents emphasises this approach. Parents are encouraged to take the long-term view of their child's attainment and to celebrate the more balanced learning approach available in a through-school with no 11+ academic hurdle. Children are encouraged to be children.

Senior School. This year, Highgate enjoyed record success in its public examinations for both Year 11 (GCSE level) and Sixth Form (A level).

In A levels, 42.4% of all exam entries were awarded with the top grade, an A* or a Distinction (D1 or D2) at Pre-U, and 76.6% of all grades were either A* or A. In addition, 38 pupils achieved three A*s or more, and 113 students, or 63% of all Highgate candidates, achieved at least one A* or more. 27 offers were received from either Cambridge or Oxford, and 80% of our applicants took up their first-choice universities. Of the small number of pupils who did not choose to enter Russell Group universities, four pupils enrolled in highly competitive Art colleges and 9 matriculated in US or Canadian universities.

At GCSE level, 74.1% of all entries were graded 8 or 9 (equating to an A*) and 90.2% were graded either 7,8 or 9 (equating to either an A or A*). 51 pupils or 30% of the year group achieved ten or more 8/9/A* grades; 48% of all grades were the new top grade of 9. These results place Highgate firmly in the top academic tier of independent schools in the UK. The value-added data for this strong cohort of pupils is particularly pleasing: the comparison of pupils' results against base-line data suggests that, on average, over half a grade of value was added to each individual examination result compared to other independent schools; the comparison against all other secondary schools would be well in excess of one grade of value added in every subject.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF THE SCHOOL (continued)

Co-curricular

The co-curricular life of all three schools has continued to form an integral part of pupils' educational experience: pupils have engaged in a rich diet of sport, music, drama, clubs and societies, and a host of other activities throughout the year. Almost every pupil, in every year group, has contributed to at least one co-curricular venture; nearly every member of teaching staff, and an increasing number of non-teaching staff, have also supported these activities.

Pre-Preparatory School. The number of co-curricular clubs offered to pupils continues to expand, including Science Club, Football Coaching, Board Games, Lego Club, Singing Club, Philosophy Club, Mini Movers (after-school provision), Cycling Club, Chess Club (before-school provision), Scooting Club, Yoga Club and Gardening Club. Our teachers have also planned exciting and relevant visits, such as a trip to the Affinity Water Centre for Year One and Year Two.

Community partnership work has been a highlight of the year. Members of staff have led the lesson study initiative in Brookfields Primary School, working closely with their Nursery staff throughout. Not only was this a successful stand-alone study, staff worked closely with Brookfields staff to enable them to roll out this initiative further. Amongst a number of other community projects carried out this year, a key highlight has been the introduction of regular visits to Mary Feilding Guild by our Nursery children, introducing Debutots (a singing and interactive session) with great success.

Junior School. The co-curricular life is both varied and busy, with pupils participating in a wide range of academic, musical, sporting and creative activities. Clubs such as creative writing, football, coding, film and art are popular and often oversubscribed. New clubs this year include traditional Viking game, Kubb, Digital Leaders and Backgammon, which have proved popular with pupils and staff alike. Chorus and iPad Languages Clubs have expanded to include pupils from a partner school, St Michael's, offering subject specialists and collaborative peer interaction. We continue to incorporate pupils in events such as Open House and the Summer Festival.

Our house system has been particularly successful in encouraging pupil engagement and participation this year, with more pupils than ever participating in events such as House DTE Challenge, Poetry, Countdown, General Knowledge and Singing, as well as a variety of sports. Further engagement in the house system has been provided in the form of charity initiatives, encouraging pupils to give back to their community in time as well as money. We have had two visits to local residential care homes, where pupils spent time chatting to residents, as well as performing small musical and drama performances.

Pupil voice and leadership has continued to be developed through forums such as School Council, Eco Council, Digital Leaders and House Ambassadors. This year, the Student Council successfully introduced to the playground a variety of new markings and games, the Eco Council led on a number of sustainability initiatives which resulted in a shortlisting for a TES Award, and the House Ambassadors have taken a larger role in deciding, organising and delivering events. Our Digital Leaders have been looking at ways to promote safer internet use and raise the profile of e-safety across our School.

This year, in sport, hockey has proven an area of particular success with our co-ed team finishing as runners up in the UCS tournament. Our Year 6 girls were U11 Middlesex Champions for the third year running and bronze medallists in the Southern England Finals, the best we have ever achieved in Hockey. In cross country, Years 5 and 6 won all four competitions they entered with a co-ed team, and one Year 5 girl came sixth out of 450 competitors in a national race, while our Year 6 co-ed athletics team was second out of 50 schools in North London.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF THE SCHOOL (continued)

Co-curricular (continued)

Junior School (continued). In gymnastics, we entered the North London Area Gymnastics Competition with 15 medals across novice, intermediate and advanced categories, and two pupils gained medals at the National Acro finals. In football, Year 6 boys were ISFA cup semi-finalists, Year 5 boys were runners up in the Inner London Football Tournament, and six boys have represented the county with five pupils now signed for professional clubs (four boys and one girl). We currently have one Year 6 boy ranked number one in the region at tennis while, in cricket, one boy and one girl play for the county and one Year 6 boy plays for London Schools.

Senior School. Highgate's compulsory Thursday Lunchtime Activity (TLA) programme for Years 7 to 8 enables pupils to take part in a carousel of termly activities (community, academic, sports, and other). In 2018-19, pupils chose from 35 different options, with Social Entrepreneurs, Basketball and Calligraphy proving particularly popular. Pupils' interest in environmental issues was recognised, with many in Year 7 and Year 8 choosing the new Environmental Awareness TLA (in addition to attending the ever-popular whole school Environment Committee).

Our Tuesday Afternoon Activities (TAA) programme for Years 9 to 13 remains a firm fixture in the weekly diary, with pupils being able to choose from 43 different options, including community-based activities such as hospital visits and a British Sign Language course.

Community volunteering options have increased overall and even pupils in Years 7 to 8 have enjoyed our Play Leaders and Primary School Reading partnership programmes. Other popular volunteering opportunities include weekly visits, for pupils in Years 9, 10 and 12, to TreeHouse School (a school for pupils with autism) and the Shine literacy programme on Saturday mornings.

Without doubt, the Duke of Edinburgh Award and the Combined Cadet Force (CCF) remain our most popular TAA options. This year, over 230 have been taking part in the Duke of Edinburgh Award Scheme (54 of whom have been doing their Gold Award). We have been commended by DofE for our positive completion rates (which are well above the borough and national averages) and significant numbers of pupils received their Gold Awards at Buckingham Palace.

Pupils remain extremely active in our optional clubs and societies. Pupils are able to choose from over 80 clubs and societies, while the number of pupil-led societies continues to be extensive. New additions include 3D Animation Club, the Train Society and the Sports Discussion Group, all set up by enthusiastic pupils. Creative writing saw a resurgence, with the launch and initial two issues of the new creative writing magazine, *The Windhover*. In robotics, our roboticists competed at regional, national and in the VEX Robotics World Championships, held in Kentucky, where the team managed to obtain the highest programming score in the world, beating over 200 other teams. Other notable clubs and societies include Masaryk (Politics), the Economics Society, Pride (formerly LGBTQ+) and the 'Random Acts of Kindness Society' (RAOK - a club set up by a group of Lower School pupils who wanted to inject positive energy into today's society.) RAOK initiatives have included handing out home-baked muffins to the Year 11 pupils before their GCSEs (accompanied by individually written good luck notes) and distributing unclaimed lost property to local charities.

With over 600 pupils taking instrumental lessons, and more than 50 music ensembles and choirs of different genres rehearsing each week (orchestral, chamber music, rock and pop, and jazz), music is integral to school life. All groups have the opportunity to perform throughout the year at various concerts, platforms, gigs and recitals – from Camden Assembly and Pizza Express Jazz Club to Southwark Cathedral and Cadogan Hall, as well as many concerts taking place in our School.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF THE SCHOOL (continued)

Co-curricular (continued)

Senior School (continued). Many of our musicians and award holders regularly attend the junior departments at the Royal Academy, Royal College and Junior Trinity, and several are members of the National Children's Orchestra and National Youth Orchestra of Great Britain. Music thrives at Highgate and continues to get bigger and bigger each year.

In sport, Highgate teams were awarded county, regional or national honours in football, netball, cricket, athletics, cross country, squash and water polo. We have two pupils signed with professional contracts, three pupils at international level, 14 competing at national level, seven at regional level, and 30 at county level, which we are proud to support through our ongoing high performance programme.

A wide variety of educational and co-curricular visits have taken place. This includes (but is not limited to) the following: sports tours to Rotterdam, Barcelona, Jersey, Austria (skiing) and New York (dance); language trips to France, Spain, China and Germany; a history of art trip to Prague; a classics trip to the Bay of Naples; outdoor education trips to Cerrig, our School's centre in Wales and to Everest Base Camp (22 pupils); a drama performance trip to the Edinburgh Fringe Festival; and a teaching and residential visit (by 25 pupils) to Highgate's partner school in Uganda, The Great Lakes High School.

In terms of careers and employability, our School continues to build a reputation as a leader in this area: employability has been firmly embedded into the curriculum (in specialist carousels in Year 9 and Year 12) and our Careers and Employability Specialist has created an exciting and varied programme of events. Our careers events and initiatives have been welcomed by Highgate and partner school pupils; programmes such as the Year 12 Mentoring and Evening Q&As have been successfully run in collaboration (most notably at LAET). Resources have been made available to partner schools and our employability activity continues to be extremely well supported by the OCs and Highgate parents.

Pastoral and Wellbeing

The School's Pastoral support for staff and pupils was significantly bolstered by the appointment of a new Director of Wellbeing in November 2018. In addition to line-managing the School's medical, welfare and Nursing staff, the Director of Wellbeing will oversee the development of wellbeing and mental health policy and strategies for all members of the School community, including LAET and, wherever possible, our other partner schools. This appointment has strengthened the quality of the School's pastoral care by providing more expert support for staff dealing with complex and challenging pastoral matters. The Director of Wellbeing has led presentation evenings for parents & carers covering such topics as 'Transition Through the School', 'Managing Exam Stress', and 'Dealing with Teenage Socialising – Substances and Alcohol'. There have also been INSET sessions where staff from Highgate and LAET have been encouraged to focus on their own wellbeing as a foundation for providing emotional support to Highgate's children and families.

A research partnership with UCL into the impact of social media and screen-time on young people is planned for 2019–20 and the Director of Wellbeing's ongoing work with the Anna Freud Centre in developing effective training for the Government's proposed Mental Health Leads in Schools across the country will continue. As Co-Chair of the School's new Wellbeing Steering Committee, the Director of Wellbeing will play a key role in consultation and the development of more strategies to embed a proactive pastoral culture of care, compassion and expert support at Highgate and beyond.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF THE SCHOOL (continued)

Other

Sustainability

In order to tackle the negative effects of climate change, we are working hard to embed sustainability in our thinking and actions, prioritising 'Sustainability' as one of the six core objectives of the School's Development Plan. As a school, we recognise the central role that we need to play in educating and mobilising our community of pupils, staff and parents by promoting environmental responsibility and developing effective sustainability practice. To drive forward a clear and comprehensive agenda, at the end of June, we held the first meeting of the *Sustainability and Environmental Executive Committee (SEEC)* and appointed Mr Paul Rothwell as the Governor with Lead Responsibility for Sustainability. Looking ahead, the SEEC will meet 5-6 times per year and its minutes will be discussed and cleared through the Estates Committee. A wider Sustainability and Environmental Consultative group has also been set up (with representatives from all three schools and a number of Support Departments); discussions at this group will feed into the SEEC and the development of the *Sustainability Strategy and Environmental Policy* (which will be published following a period of audit, review and consultation.)

In the meantime, this year, we have continued to address the Sustainability Agenda through the following initiatives: 'Air Pollution Monitoring'; targeted campaigns outside school to raise awareness of the issues relating to parents/carers dropping off their children by car; Fast Fashion Free February; the elimination of disposable cups; the creation of gardening clubs for pupils; Awards for the School Bus Service; a commitment to Sustainability, by the Estates Committee, has formed part of the initial engagement with Haringey's Planning department; the establishment of a Printing Committee; the incorporation of Sustainability into the curriculum in the PPS and JS through the Outdoor Education SpEx carousel and, in the Senior School, through the Thursday Lunchtime TLA (and the DofE Award). In addition, in the Senior School, each academic Head of Department has put forward 3 'Green Objectives' and significant preparations have been made in advance of the Environment Conference (scheduled for September 2019) which will be attended by representatives from more than 15 local and independent schools.

Accessibility and Diversity

Consideration continued to be given to making the school accessible to a wider range of families from different social and economic backgrounds, to ensure the community is a vibrantly diverse one in which social cohesion plays an instrumental part in our pupils' learning experience. A member of the Senior Team has been tasked with heading up and overseeing work in this area, looking to advise on how best to prioritise our strategy and actions. Staff diversity and pupil diversity are clearly linked, but each will require distinct if connected strategies and commitment.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

OBJECTIVES AS A CHARITY 2018-19

In 2018-19, our specific charitable objectives were:

- To continue our commitment to support, as the primary educational sponsor, the London Academy of Excellence, Tottenham, which opened to provide an academically selective, well-governed sixth form free school in a local community where such opportunities are lacking;
- To enable teachers to give some of their time to local state schools in mutually beneficial ways, so that more children can have access to the excellent teaching and enriching activities that Highgate pupils enjoy every day and Highgate teachers develop professionally by teaching different pupil cohorts;
- To award a significant number of bursaries so that children for whom Highgate is the right school can access the excellent teaching and enriching activities that Highgate provides, when financially it would otherwise not be possible; and
- To grow strong and sustained links with schools, charities and similar organisations within our School's local community.

ACTIVITIES OF OUR CHARITY

Partnership Teaching

Much of Highgate's partnership work is run through our Chrysalis Programme. In 2008, Chrysalis started as a Year 12 summer school with twelve schools, mostly in Haringey. Chrysalis has now become a year-round programme involving over fifty schools. Our mission is "to inspire and support pupils of any age to pursue academic subjects at the next level, culminating in applications to Russell Group universities" through extension and robust academic provision.

Our Chrysalis network includes secondary schools from across the boroughs of Haringey, Camden, Ealing, Newham, Brent and Barnet. Chrysalis teaching, summer schools, conferences, masterclasses and enrichment days are staffed by Highgate teachers, with assistance on some projects by pupils, where appropriate. Projects range from intensive summer schools to mentoring and revision sessions. Further examples include: university admissions test preparation (including MAT, the Maths Aptitude Test and PAT, the Physics Aptitude Test); expert interview preparation and practice for applications to Cambridge, Oxford and medical schools; access to higher education and careers programmes; and access to Further Mathematics teaching. Chrysalis partnership teaching is delivered across all three schools, with projects also being conceptualised and run by members of teaching staff in the Junior and Pre-Preparatory Schools.

Combined, Chrysalis projects have had an impact on thousands of children across London. During the academic year 2018-19, Highgate worked with almost 60 schools in London on over 100 events and 28 regular projects, of which there were over 1,000 occurrences. Over 80 teachers were involved in Chrysalis work, which engaged over 3,500 children across London.

To deliver such a robust and rewarding programme, Highgate employs the equivalent of four extra full-time teachers. This means over twenty Highgate teachers are regularly involved in partnership teaching, either by giving timetabled classes, delivering sessions in partner schools or running events for partner school pupils and staff at Highgate. Our programme covers a range of academic subjects including art, biology, chemistry, classics, design technology and engineering, drama and theatre studies, English, French, mathematics, music and physics. We have five Chrysalis Fellows (recent graduates or Year 14 pupils who co-ordinate and deliver this array of projects), plus a full-time member of our Senior Team and a coordinator who are dedicated to this programme in the Senior School and members of the Senior Teams in the Junior and Pre-Preparatory Schools with part-time allocations to this important work.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF OUR CHARITY (continued)

Partnership Teaching (continued)

Highgate's partnership teaching was brought to bear with the establishment of the London Academy of Excellence in Tottenham (LAET), east Haringey. This new sixth form free school opened in September 2017, following the successful model of the LAE in Stratford (also one of Highgate's partner schools). It provides an academically rigorous sixth form education to children in the Tottenham area. Highgate is the lead educational sponsor, alongside the lead business sponsor, Tottenham Hotspur Football Club.

As LAET's lead educational sponsor, Highgate provides ongoing support through the secondment of teaching and support staff, as well as continuing administrative support and as a presence on the governing body. In 2018-19, we provided the full-time equivalent of 6.6 members of teaching staff in English, geography, chemistry, physics, mathematics, art and French, plus learning support and support in Human Resources.

LAET's first cohort received their A level results in August 2019. 70% of all grades were A*-B, with 31% of grades being A*-A. The results put LAET in the top 5% of state schools nationally and their value-added score put them in the top 15% for progress. Historically, students from the eastern wards of Haringey have had to leave the borough for rigorously academic post-16 provision and few have progressed to Russell Group universities. LAET's success challenges these statistics, with over 90% of the pioneering first cohort progressing to Higher Education and over 50% attending Russell Group universities.

Highgate also has a longstanding relationship with the Haringey, Camden and Islington virtual schools through the Chrysalis Accelerator Project for Looked After Children. This helps looked-after children in Years 6 to 12 raise aspirations and develop world of work skills, attainment and confidence, leading to successful applications to higher education and into work. The programme consists of a Saturday series with small group tutorials and workshops, led by Highgate teachers and inspiring mentors, as well as university visits and engaging enrichment days led by facilitators.

The 2018-19 academic year saw a variety of further partnership initiatives across Highgate, which included: the Year 4 Day of Discovery summer school that welcomed nine of Highgate's primary partner schools for a session discovering new subjects and learning about famous explorers; the Olympic Legacy Summer School, run with University College School, to focus on sport and physical education; and the Primary Mathematics, Science and Design Technology Clubs, aimed at enthusiastic pupils in Key Stage 2, with the purpose of providing fun extension in the STEM subjects.

Highgate regularly evaluates the impact of its partnership teaching and feedback continues to indicate positive results. The vast majority of pupils report an enjoyment of their participation with partnership teaching programmes (98%) and felt that they had discovered something new after having taken part in a Chrysalis project (96%). The vast majority of pupils felt that they were more likely to continue studying the subject of focus at the next level (90%). Pupils also hold a belief that the programme fosters a sense of academic community with their peers in other schools (94%). We aim for partner school pupils to have continued engagement with Highgate throughout the various stages of their education. In 2018-19, over 50% of all pupils surveyed had engaged with Highgate on more than one occasion, and over 30% were engaging with us for at least the third time.

During 2018-19, Highgate's projects were various in their scope and intensity, and continued to be measured in units of contact time. A unit of contact time is a piece of meaningful contact between a representative of Highgate (teacher, pupil or non-teaching staff member) and a representative from a partner school (teacher, pupil or non-teaching staff member). These units might be an hour of one-to-one tuition or attendance at a music workshop, in a larger group, that lasts several hours. In total, 23,000 measurable units of contact time were recorded.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF OUR CHARITY (continued)

Community Partnerships

Highgate takes pupils on a journey from participant to actively engaged or leading in a community activity, providing them with various taster experiences in Years 7, 8 and 9 at local schools, environmental and charitable organisations to help them identify an area that aligns with their own values. In Years 10 and 11, through the Duke of Edinburgh (DofE) scheme, pupils can engage on their own terms in community settings of their choice, and can join our pupil-led Charity and Community Action Group. Mentoring opportunities are available in Years 12 and 13, in association with the Chrysalis Partnership Teaching Scheme.

Our Community Partnerships Director, a member of our Senior Team, meets regularly with key members of local institutions (schools, religious and cultural) to strengthen physical and social links between the local area and the different social and age groups in Highgate, and serves as a committee member on the Highgate Neighbourhood Forum. Examples of our links with the community include: our "Coffee and Computers" initiative, where Highgate pupils volunteer with people from the local community who are seeking support with technology; our volunteer reading scheme, where Highgate pupils offer their time to read with pupils at St Michael's Primary School and Highgate Primary School; our volunteer play leaders scheme, where Highgate pupils offer their time to devise and lead pupils at Whitehall Park School in Key Stage 2 team-based games; and Chrysalis TreeHouse Volunteering, where Highgate pupils volunteer to work with children with autism spectrum disorders, at TreeHouse School, to develop their social skills and abilities to interact with new pupils. In 2018-19, over 500 Senior School pupils volunteered their time to support local organisations. In total, Highgate Senior School pupils gave over 3,700 hours of their time to voluntary work.

For the second year running, Highgate was one of the sponsors and part of the organising committee for the successful Highgate Festival, which saw over 50 local organisations running more than 70 events in June 2019.

Highgate also facilitates sharing of resources and equipment where possible among local institutions. This has included local institutions using performance space, and local schools using our sports and other equipment and/or outdoor space.

Bursaries

During 2018-19, 87 Senior School pupils received means-tested fee remission, of whom 56 received 100% fee remission. In addition, 19 pupils were given grants towards the cost of uniform and some £5,000 was allocated to enable bursary holders to participate in trips for which there is a charge. Through donations from Cholmeleians and parents, our School also assisted with £27,494 towards the costs of instrumental music lessons and additional expenses for bursary award holders.

The total value of our bursarial support (including the contribution from the Friends of Highgate School Society) was £1,699,404. Of this figure, our School funded £1,585,053. Six of the 87 Senior School pupils receiving means-tested fee remission were supported by the Friends of Highgate School Society (a registered charity, no. 1056624) which contributed in the region of £114,351. Our Governors' policy continues to be to concentrate bursary awards amongst children whose parents or carers are able to pay very little or none of our fees.

Our School invests considerable time, thought and resources in the advertising and awarding of our bursaries. In 2018-19, there were 119 bursary applicants of which 103 were visited at their homes, attended a meeting at our School or, in exceptional circumstances, undertook a financial assessment over the telephone. Feedback surveys confirm that the support provided in making such applications is very warmly appreciated by parents and carers. A full statement of our policy on bursaries is available on our website; there is also further information available for parents and carers within the admissions section of our website.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ACTIVITIES OF OUR CHARITY (continued)

Costs associated with charitable activities

In addition to the funding associated with bursaries, our School spent around £72,000 during the year on the running costs of our work on partnership teaching and community partnerships, including transport, equipment, and visits to venues. In addition, approximately £1,012,000 reflects the associated salary costs for the year (including pension and employer's national Insurance) of our Community Partnerships Director, Admissions Officer (Widening Access), the share of staffing costs associated with partnership teaching programme (including those seconded to LAET) and our Chrysalis Fellows.

FUTURE OBJECTIVES

Highgate's objectives as a School have been set within the development plan, the current version of which is for 2015-20 and which received an annual review in August 2018. In the forthcoming period, we will therefore continue to progress achievements measured against these objectives, with termly updates being provided to Governors as appropriate. These objectives, along with the three schools' academic priorities which will also continue for 2018-19, are detailed on pages 2 and 3.

Highgate's specific charitable objectives set out on page 9 will also be further progressed during 2018-19. The programmes set out on pages 9 to 11 will be consolidated and, where opportunities arise, new partnerships developed. Projects will be overseen by the School's Executive Charity and Development Committee (see below) with Governors being kept updated as required.

GOVERNANCE

Structure, governance and management

Our Governors (listed in the next section), who are our Charity's Trustees, are responsible for the governance of our School. Highgate is governed in accordance with our Scheme of Governance, dated 1 September 2005, as amended, and our Governors are members of the Body Corporate of "The Wardens and Governors of the possessions, revenues, and goods of the Free Grammar School of Sir Roger Cholmeley, Knight in Highgate".

Management is under the direction of our Head. Our full governing body meets at least six times a year. During 2016-17, an internal Governance Review was undertaken, resulting in a new Committee structure being implemented. The following three sub-committees were formed, all meeting at least three times a year:

- Finance, Audit and Risk Committee
- Estates Committee
- Nominations and Remuneration Committee

In addition, a Governors' International Schools' Working Group and two Executive Committees have been established (the Development and Charity Executive Committee and the Sustainability and Environmental Executive Committee). These two executive committees are generally attended by at least one nominated Governor.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

GOVERNANCE (continued)

Structure, governance and management (continued)

The Nominations and Remuneration Committee is responsible for overseeing succession planning to ensure our governing body contains appropriate diversity, experience and skills, and making recommendations to Governors about recruitment processes for new Governors. Recent appointments have involved advertising roles within our School community prior to a sifting and interview process that saw five new Governors start as trustees during Michaelmas Term 2018. All five Governors received induction training during the year.

In considering the pay and remuneration for the School's key management personnel, the Nominations and Remuneration Committee, in reaching recommendations for our governing body, consider the nature of the role and responsibilities, trends in pay and competitor salaries in the region available from publicly available sources.

Management

The day-to-day running of our School is delegated to our senior leadership team.

The Head, Adam Pettitt MA, exercises the functions of Chief Executive in leading and directing the Senior, Junior and Pre-Preparatory Schools, and reports to the governing body.

The day-to-day responsibility for management of the Junior School and Pre-Preparatory School is exercised by the respective Principals, who report to the Head. The present incumbents are Mark James MA (Principal of the Junior School) and Diane Hecht PDCE (Principal of the Pre-Preparatory School).

The Head is assisted in the Senior School by a Principal Deputy Head, Todd Lindsay MA, a Deputy Head (Academic), James Newton MSc, and a Deputy Head (Pupils ' Personal Development and Employability), Louise Shelley BA, together with eight Assistant Heads. With effect from 1 September 2019, a new Deputy Head will be employed; Deputy Head (Pastoral), Graeme Robertson MA CA.

The Bursar, John Pheasant BSc LL Dip Barrister, is responsible for the management and leadership of support staff, and the financial administration of our School, and reports to the Head. The Bursar also acts as Secretary and Clerk to the governing body, in which role he reports directly to the Chairman.

The Head, Principals of the Junior and Pre-Preparatory Schools, Deputy Heads and Bursar make up the Strategy Management Committee.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

GOVERNORS WHO HELD OFFICE DURING THE YEAR ENDING 31 JULY 2019

	FA&R ¹	Estates ²	Nom&Rem ³
Gill Aitken MA(Oxon) Solicitor <i>Resigned as a Governor with effect from 27 November 2018</i>	*		
Mark Barber <i>From 25 September 2018</i>		*	
Revd Anthony G Buckley MA(Oxon) PGCE Dip Min MA(Canterbury) <i>Resigned as a Governor with effect from 25 September 2018</i>			*
John A Cloughton MA <i>Resigned as a Governor with effect from 25 September 2018</i>			
Jemima Coleman MA(Cantab) LLDip			*
Michael T Danson MA			
Brian Davidson MD FRCS MB ChB MD FRCPS(Glasg) FRCSE(Hon) Deputy Chairman	*	*	*
Joan Deslandes BEd(Hons) MA OBE <i>From 25 September 2018</i>			
Katherine Haynes BA(Hons) Med NPQH <i>From 27 November 2018</i>			
Sam King QC MA (Cantab) <i>From 25 September 2018</i>			*
Rachel Langdale QC LLB MPhil <i>Resigned as a Governor with effect from 25 September 2018</i>			
Kate Little MB BS BSc FRCGP			
Saral Markanday MBChB MSc MRCGP DRCOG <i>From 25 September 2018</i>			
Paul E Marshall BSc MRICS	*	*	
Kumar Panja BA LLDip	*		
Aly Patel MA MBA Treasurer	*		
Jeremy D Randall BSc <i>Resigned as a Governor with effect from 25 September 2018</i>			
Robert M Rothenberg MBE BA FCA CTA MAE Chairman	*	*	*
Paul Rothwell MA		*	

¹ Member of the Finance, Audit & Risk Committee.

² Member of the Estates Committee.

³ Member of the Nominations and Remuneration Committee.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

ADDRESS OF SCHOOL	Highgate School North Road Highgate London N6 4AY
REGISTERED CHARITY NUMBER	312765
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	Farrer & Co. LLP 66 Lincoln's Inn Fields London WC2A 3LH
BANKERS	Coutts & Co. St Martin's Branch 440 Strand London WC2R 0QS
INVESTMENT MANAGERS	Brewin Dolphin 12 Smithfield Street London EC1A 9BD

PUPIL NUMBERS AND FEES

Pupil numbers were 1,786 in September 2018. Our fees per term, in 2018-19, were £6,990 (Senior School), £6,410 (Junior School), £6,055 (Pre-Preparatory School, full-time: Reception to Year 2) and £3,020 (Pre-Preparatory School, part-time: Nursery). Our fees are inclusive of lunch, the use of books and stationery, and practically all other extras including future life membership of our Cholmeleian Society, field work, one residential trip in Years 7, 8 and 9, and day visits in curricular time.

FINANCES

Total fee income in 2018-19 was £34,578,654, an increase from 2017-18 of £2,110,003. The operating surplus was £2,113,125. Governors continue their strategy of deploying all net incoming resources to investing in the School and Charity to ensure that Highgate keeps, and indeed works to improve further, its position as a successful place of learning and all-round educational excellence. In the current financial year, £3,927,138 was spent in respect of this investment programme, ensuring that the needs of succeeding generations of pupils are met, as well as the current.

Diversifying non-fee income

The School continues to offer paid-for courses at the Mallinson Sports Centre. Further work is being undertaken to explore other non-fee income opportunities including lettings and hirings.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

FINANCES (continued)

Fundraising approach and performance

We undertake fundraising activities within the school community via direct mail, telephone, community participation activities (such as our pupils' sponsored walk), fundraising events, solicitation of individuals, crowdfunding campaigns and email in line with the Fundraising Code of Practice set by the Fundraising Regulator. Fundraising is overseen by the School's Development Office by staff all of whom have detailed job descriptions associated with their roles and receive appropriate training to reinforce our fundraising ethics. We are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Code of Practice, and act in accordance with the terms listed in the Charity Governance Code. Fundraising activities are open, fair, honest and respectful; the School does not fundraise from constituents who are considered vulnerable or in circumstances which mean an individual is unable to make an informed decision. No formal complaints were received about fundraising activity in the year. Trustees receive regular reports regarding fundraising activity and performance.

The year saw donations towards bursaries, partnerships, general funds and capital projects, taking the total received and pledges from parents and Cholmeleians in the year 2018-19 to £1,093,981.

Buildings

Governors are committed to continuing to invest substantially in upgrading and, where necessary, renewing current academic facilities, to ensure that our physical estate meets all emerging requirements to a high standard. Our current priorities include improving drama, music, sports and sixth form facilities, plus renewing services to, and reconfiguring, our Senior School's science laboratories. Additionally, in a drive to maintain our first-rate facilities, our School continues to preserve its historic buildings to improve the look of our School for the benefit of staff, pupils and the local community. Consequently work will continue, as part of our extensive capital development programme, in upgrading teaching facilities and repairing the fabric of our historic buildings. In preparation to contribute towards the funding of this programme, the School entered into a private placement in-year for £60,000,000 details of which are set out within Note 11a to the Accounts.

Specific investment powers, policy and performance

The governing scheme affords our Governors powers in line with those generally applicable to charitable foundations. Any investments acquired by our Governors, during the year ending 31 July 2019, have been acquired in pursuance of those powers and within the Statement of Investment Policy that our School has with our Investment Managers, Brewin Dolphin.

Reserves Policy

In common with other independent schools, Highgate does not have free reserves readily available to spend on any of the charity's purposes. As indicated on our balance sheet, at the year end, our School had total funds amounting to £77,762,101. This was split between endowment funds of £29,059,927, of which £27,789,363 related to the net book value of the original endowed property of our School (principally constituting our main island site in our Senior School), restricted funds of £1,603,004, namely donations received for specific purposes, and, the remainder, unrestricted funds of £47,099,170. The unrestricted funds reflect the residual investment that our School has made over the years in the fabric of our building and facilities: it is not readily available for spending. The Governors therefore monitor the day-to-day operations of Highgate through management of good budgeting procedures and cash-flow, to ensure that it can meet the ongoing needs of the operations of the School and continue to invest in the fabric of the estate and educational provision. Governors are satisfied that we have sufficient available cash and facilities to deliver our strategic objectives.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

FINANCES (continued)

Risk Assessment

Processes are in place to identify risks under the headings of Aims/Objects, Law and Regulation, Governance and Management, Academic, External Factors, Operational, Human Resources, Environmental, Technological and Financial Risks, and the necessary mitigations, and assessments and controls established to manage these are kept under regular review by our senior management and our Governors' Finance, Audit and Risk Committee.

The main risks that have been identified, and the plans to manage those risks, are:

- Political challenge to Highgate's charitable status. This risk is managed by continually developing our nationally-recognised educational partnerships to become a blueprint for change in education. Being a charity is at the heart of Highgate School.
- Challenges to the financial viability of independent schools by increases to costs largely outside the control of schools such as VAT or pension costs. This risk is managed by taking opportunities to engage contacts in main political parties and other key individuals about the true impact of putting VAT on school fees and introducing significant further pension increases.
- Ageing facilities inadequate for modern day teaching and learning. This risk is managed by the capital programme which aims to address the School's academic requirements by focusing on buildings in significant need of repairs and renewals.
- Reputation of the education and well-being of our pupils and the activities of our School. This risk is managed through relevant policies which are embedded within our School through meetings, committees, staff and pupil awareness, and having nominated senior management responsible for specific policies. Policies include: safeguarding policies, staff recruitment policies, and health and safety policies. Other areas of focus include security and personal safety of staff, pupils and visitors. In addition, our School uses professional consultants and advisers to help strengthen compliance within our School.
- Affordability of school fees/adverse change to economy. This risk is managed by reviewing carefully annual fee increases, looking at possible aspects of the educational and charitable offering that could be reduced if absolutely necessary, controlling costs the impact of which would have a minimal educational impact and looking to diversify income by identifying meaningful non-fee income opportunities to reduce the current significant reliance on fee income.
- Income and a cash-flow to deliver the educational offering for the present and continue to invest in our School and Charity, including our fabric, for the long-term future. This risk is managed by maintaining and, where feasible, increasing pupil numbers, identifying any trends that can be reduced associated with any leavers, looking at non-fee income initiatives, including fundraising and borrowing, and ensuring active cash-flow management.

Governors have been provided with assurance that risks have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Fixed assets

The fixed assets are as stated in the balance sheet and further detailed in the notes to the financial statements. They are considered to be available and adequate to fulfil the obligations of our School.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

Statement of Governors' Responsibilities

Governors have prepared financial statements for the financial year that give a true and fair view of the state of affairs of our School and of the surplus of the charity for that period. In preparing these financial statements, Governors have:

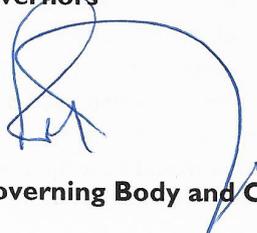
- adopted suitable accounting policies and applied them consistently;
- observed the methods and principles in the Charities SORP;
- made judgements and estimates that were reasonable and prudent;
- stated that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

Governors have kept proper accounting records which disclose, with reasonable accuracy at any time, that the financial statements comply with trust law. Governors have safeguarded the assets of the charity and taken reasonable steps for the prevention and detection of fraud and other irregularities.

Governors confirm that the accounts comply with the requirements of the Charities Act 2006 as amended by the Charities Act 2011, the Governing Scheme, and the Charities SORP 2015.

Governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

on behalf of the **Governors**



Chairman of the Governing Body and Chairman of Trustees

ACCOUNTING POLICIES

General Information

Statement of Compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and revaluation of land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

The School is a Public Benefit Entity registered as a charity in England and Wales (charity number: 312765).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, the depreciation rates charged are the Governors best estimate of useful economic life for the asset, and changes could result in a material adjustment of the carrying amount in subsequent years.

ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets

Tangible assets are included at their net book value at the year-end.

Expenditure on the acquisition, construction or enhancement of land and buildings of a capital nature together with vehicles, furniture, machinery, ICT infrastructure and other equipment of a capital nature are capitalised and carried in the balance sheet at historical cost.

ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense in acquisition.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments from commencement of the project over their expected useful economic lives as follows:

Freehold Property	- 2% on revalued amounts
Furniture and Equipment:	
- Furniture, Equipment and IT	- 10% or 20% on cost
- Motor Vehicles	- 20% on cost

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Funds

The School maintains four types of fund:

- (a) Endowment – where the capital is held in perpetuity and income generated used for charitable purposes expenditure;
- (b) Restricted – where the purposes for which funds may be used have been restricted by donors;
- (c) Designated – where the funds are unrestricted but where the Trustees have designated them for a specific purpose;
- (d) General – where the funds are unrestricted and not designated.

ACCOUNTING POLICIES (continued)

Endowment Funds

The original land and buildings of the School are subject to a permanent endowment. The Endowment Fund reflects the rebased cost of assets principally constituting the main Island Site, following engagement with the Charity Commission, as at 31 July 2016 (see note 12).

The Sinking Fund represents recoupment of the proceeds on disposal of endowment property.

The Prize Fund consists of a number of individual prize funds set up by donors for the provision of prizes.

Restricted Funds

The Library Fund consists of three funds named (i) Burdett-Coutts, (ii) Furnival Jones and (iii) J F Newsome Charitable Trust, and exists to provide books and equipment for the School library.

Designated Funds

The building reserve represents funds generated from appeals and transfers from unrestricted funds. The reserve reflects that part of the School's unrestricted funds which relates to property.

Pension costs

Retirement benefits to employees of the School are provided through two pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable;
- (b) The ISPEN is a multi-employer defined benefit scheme. The assets of the scheme are held independently from those of Highgate School in an independently administered fund. The costs recognised during the year relate to the movement in the year end liability;
- (c) Other pension costs are charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year;

ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HIGHGATE SCHOOL

Opinion

We have audited the financial statements of Highgate School for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2019 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 18), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF

HIGHGATE SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HIGHGATE SCHOOL (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.


Haysmacintyre LLP
Statutory Auditors
Date: 7 February 2020

10 Queen Street Place
London
EC4R 1AG

haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

HIGHGATE SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2019

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
INCOME FROM:							
Charitable activities							
School fees receivable	1	34,578,654	-	-	-	34,578,654	32,468,651
Other educational income	2	359,737	-	-	-	359,737	290,805
Ancillary trading income	2	1,878,155	-	-	-	1,878,155	1,382,328
Investments							
Bank and other interest		28,378	-	-	69	28,447	7,480
Investment income		5,379	-	10,863	9,181	25,423	25,424
Voluntary sources							
Donations	3	415,783	-	678,198	-	1,093,981	1,677,573
Total Income		<u>37,266,086</u>	<u>-</u>	<u>689,061</u>	<u>9,250</u>	<u>37,964,397</u>	<u>35,852,261</u>
EXPENDITURE ON:							
Raising funds							
Finance costs		1,010,852	-	-	-	1,010,852	506,267
Charitable activities							
School operating costs		34,267,835	-	572,435	150	34,840,420	32,150,879
Total expenditure	4	<u>35,278,687</u>	<u>-</u>	<u>572,435</u>	<u>150</u>	<u>35,851,272</u>	<u>32,657,146</u>
NET INCOME		1,987,399	-	116,626	9,100	2,113,125	3,195,115
Gains on investment assets		-	-	-	59,471	59,471	73,260
Transfers between funds	14	(1,987,399)	1,987,399	-	-	-	-
Net movement in funds		-	1,987,399	116,626	68,571	2,172,596	3,268,375
Balances brought forward at 1 August 2018		-	45,111,771	1,486,378	28,991,356	75,589,505	72,321,130
Balances carried forward at 31 July 2019		<u>£-</u>	<u>£47,099,170</u>	<u>£1,603,004</u>	<u>£29,059,927</u>	<u>£77,762,101</u>	<u>£75,589,505</u>

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the statement of financial activities.

Full comparative figures for the year ended 31 July 2018 are shown in note 19.

The accompanying notes are an integral part of this statement.

HIGHGATE SCHOOL

BALANCE SHEET

AS AT 31 JULY 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		92,757,981		91,484,163
Investments	7		1,421,867		1,342,702
			<u>94,179,848</u>		<u>92,826,865</u>
CURRENT ASSETS					
Stock	8	45,484		58,425	
Debtors	9	2,139,172		1,539,951	
Cash at bank and in hand	10	15,703,679		7,971,861	
		<u>17,888,335</u>		<u>9,570,237</u>	
CURRENT LIABILITIES					
Creditors - due within one year	11	(8,846,168)		(7,845,066)	
NET CURRENT ASSETS					
			<u>9,042,167</u>		<u>1,725,171</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			103,222,015		94,552,036
CREDITORS – due after one year					
	11		(25,459,914)		(18,962,531)
TOTAL NET ASSETS					
			<u>£77,762,101</u>		<u>£75,589,505</u>
Represented by:					
ENDOWMENT FUNDS					
	12		29,059,927		28,991,356
RESTRICTED FUNDS					
	13		1,603,004		1,486,378
UNRESTRICTED FUNDS					
Designated and general funds	14		47,099,170		45,111,771
TOTAL FUNDS					
			<u>£77,762,101</u>		<u>£75,589,505</u>

The financial statements were approved and authorised for issue by the Governing Body on 26 November 2019 and were signed below on its behalf by:

RM ROTHENBERG MBE BA FCA CTA MAE

Chairman

The accompanying notes are an integral part of this balance sheet.

A PATEL MA MBA

Treasurer



HIGHGATE SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2019

	2019		2018	
	£	£	£	£
RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
Net income	2,172,596		3,268,375	
(Gains) on investments	(59,471)		(73,260)	
Depreciation	2,653,320		2,595,912	
Interest paid	1,010,852		506,267	
Interest and dividends receivable	(53,870)		(32,904)	
Decrease/(Increase) in stock	12,941		(1,209)	
(Increase) in debtors	(599,221)		(48,976)	
Increase in creditors	2,498,485		840,550	
Net cash flow from operating activities		7,635,632		7,054,755
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on sale of fixed assets	-		-	
Purchase of fixed assets	(3,927,138)		(1,509,238)	
Proceeds from sale of investments	173,884		208,817	
Purchase of investments	(197,356)		(234,034)	
Decrease in investment cash	3,778		5,678	
Interest and dividends received	53,870		32,904	
Net cash used in investing activities		(3,892,962)		(1,495,873)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(1,010,852)		(506,267)	
Cash inflows from new borrowing	5,000,000		-	
Net cash used in investing activities		3,989,148		(506,267)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD				
		<u>£7,731,818</u>		<u>£5,052,615</u>
Cash and cash equivalents at beginning of period		7,971,861		2,919,246
Cash and cash equivalents at end of reporting period		<u>15,703,679</u>		<u>7,971,861</u>
		<u>£7,731,818</u>		<u>£5,052,615</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS				
			2019	2018
			£	£
Cash balance			15,703,679	7,971,861
Bank overdraft			-	-
			<u>£15,703,679</u>	<u>£7,971,861</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

1. FEES

	2019 £	2018 £
Fees receivable consist of:		
Tuition fees	36,091,265	33,810,394
Music fees	490,402	466,314
	<u>36,581,667</u>	<u>34,276,708</u>
Less: Allowances	(340,866)	(270,608)
Less: Bursaries funded from unrestricted funds	(1,136,232)	(1,025,990)
Less: Bursaries funded from restricted funds	(448,821)	(396,306)
	<u>(1,585,053)</u>	<u>(1,422,296)</u>
Less: Scholarships	(77,094)	(115,153)
	<u>£34,578,654</u>	<u>£32,468,651</u>

Scholarships, bursaries and other awards were paid to 143 pupils (2018: 169). Within this, means tested bursaries totalling £1,585,053 were paid to 81 pupils (2018: £1,422,296 to 76 pupils).

2. OTHER INCOME

	2019 £	2018 £
Other educational charitable income		
Administration charges	182	6,069
Entrance & registration fees	221,234	214,870
Lettings	138,321	69,866
	<u>359,737</u>	<u>290,805</u>
Other ancillary activities		
Mallinson Sports Centre	335,249	345,077
Other income	4,175	4,082
Rents	669,133	636,267
Educational visits	820,190	345,599
6th Form and Tuck Shop income	49,408	51,303
	<u>1,878,155</u>	<u>1,382,328</u>
	<u>£2,237,892</u>	<u>£1,673,133</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

3. DONATIONS AND LEGACIES (2019)

	Unrestricted £	Restricted £	2019 £	2018 £
Restricted Funds	-	678,198	678,198	985,695
Unrestricted donations	415,783	-	415,783	691,878
	<u>£415,783</u>	<u>£678,198</u>	<u>£1,093,981</u>	<u>£1,677,573</u>

DONATIONS AND LEGACIES (PRIOR YEAR)

	Unrestricted £	Restricted £	2018 £	2017 £
Restricted Funds	-	985,695	985,695	1,027,256
Unrestricted donations	691,878	-	691,878	229,997
	<u>£691,878</u>	<u>£985,695</u>	<u>£1,677,573</u>	<u>£1,257,253</u>

4a. ANALYSIS OF EXPENDITURE

	2019 £	2018 £
<u>Net income is stated after charging:</u>		
Auditors' remuneration – audit fees	30,000	35,760
Auditors' remuneration – other services	1,560	3,540
Depreciation	2,653,320	2,595,912
	<u>2,685,320</u>	<u>2,635,212</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

4b.

	Average Staff Numbers 2019	Staff Costs	Depreciation	Other	2019 Total	2018 Total
<u>Charitable Activity – School</u>						
<u>Operating Costs</u>						
Teaching costs	357	19,048,990	-	3,339,271,617	22,210,607	19,925,966
Welfare	53	1,031,385	-	988,844	2,020,229	1,821,961
Premises	39	1,450,384	2,653,320	2,368,538	6,472,242	6,506,855
Grants, awards and prizes		-	-	19,663	19,663	14,899
Support costs and governance	68	2,297,941	-	1,700,559	3,998,500	3,697,922
Finance costs		-	-	1,010,852	1,010,852	506,267
Mallinson Sports Centre		-	-	119,179	119,179	183,276
	<u>517</u>	<u>£23,828,700</u>	<u>£2,653,320</u>	<u>£9,369,252</u>	<u>£35,851,272</u>	<u>£32,657,146</u>

PRIOR YEAR

	Average Staff Numbers 2018	Staff Costs	Depreciation	Other	2018 Total	2017 Total
<u>Charitable Activity – School</u>						
<u>Operating Costs</u>						
Teaching costs	337	17,495,549	-	2,430,417	19,925,966	19,241,975
Welfare	53	861,821	-	960,140	1,821,961	1,879,739
Premises	37	1,374,329	2,595,912	2,536,614	6,506,855	6,546,834
(Profit) on disposal of fixed assets		-	-	-	-	(1,000)
Grants, awards and prizes		-	-	14,899	14,899	12,330
Support costs and governance	65	2,061,954	-	1,635,968	3,697,922	3,309,463
Finance costs		-	-	506,267	506,267	531,814
Mallinson Sports Centre		-	-	183,276	183,276	222,728
	<u>492</u>	<u>£21,793,653</u>	<u>£2,595,912</u>	<u>£8,267,581</u>	<u>£32,657,146</u>	<u>£31,743,883</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

4c. GOVERNANCE INCLUDED IN SUPPORT COSTS

	2019	2018
	£	£
Remuneration paid to auditors		
- audit services	30,000	35,760
- other services	1,560	3,540
Governors' reimbursement to Governors' expenses	1,183	4,291
	<u>£32,743</u>	<u>£43,591</u>

The support costs relate to the charitable activity of running the School.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

5. STAFF COSTS	2019	2018
	No.	No.
The average number employed by the company within each category of persons was:		
Teaching staff	357	337
Support staff	160	155
	<u>517</u>	<u>492</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	19,103,475	17,389,110
Social Security costs	2,018,817	1,867,385
Pension costs	2,706,408	2,490,368
Termination payments	-	46,790
	<u>£23,828,700</u>	<u>£21,793,653</u>
Aggregate employee benefits of 7 key management personnel	<u>£1,528,301</u>	<u>£1,368,724</u>
	2019	2018
	No.	No.
The number of higher paid employees was:		
Taxable emoluments band:		
£60,000 - £70,000	46	41
£70,000 - £80,000	22	16
£80,000 - £90,000	7	3
£90,000 - £100,000	1	1
£100,000 - £110,000	-	1
£110,000-£120,000	1	1
£120,000-£130,000	1	-
£130,000-£140,000	-	1
£140,000-£150,000	1	1
£150,000-£160,000	1	-
£160,000 - £170,000	-	1
£170,000 - £180,000	1	-
£310,000- £320,000	-	1
£320,000- £330,000	1	-
	<u>82</u>	<u>65</u>
The number with retirement benefits accruing was:	82	65
Of which contributions amount to:	£1,079,491	£796,303

During the year the School obtained, within its general insurance, professional indemnity and governors liability insurance cover of £10,000,000 (2018: £10,000,000).

Other expenditure includes an amount of £1,183 which relates to travel expenses for six members of the Governing Body (2018: £4,291 for four members).

No Governors received any remuneration or benefits other than the expenses disclosed above from the School or any connected organisation. There are Governors during the year who have pupils at the school; the arrangements are on the same basis as for other parents at the school.

HIGHGATE SCHOOL**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 JULY 2019****6. TANGIBLE FIXED ASSETS**

	Total	Freehold Land and Permanent Buildings	Equipment and Motor Vehicles
	£	£	£
COST/VALUATION			
At 1 August 2018	121,844,251	119,537,632	2,306,619
Additions	3,927,138	3,927,138	-
Disposals	(235,618)	-	(235,618)
At 31 July 2019	<u>125,535,771</u>	<u>123,464,770</u>	<u>2,071,001</u>
DEPRECIATION			
At 1 August 2018	30,360,088	28,627,841	1,732,247
Charge for the year	2,653,320	2,551,208	102,112
Disposals	(235,618)	-	(235,618)
At 31 July 2019	<u>32,777,790</u>	<u>31,179,049</u>	<u>1,598,741</u>
NET BOOK VALUE			
At 31 July 2019	<u>£92,757,981</u>	<u>£92,285,721</u>	<u>£472,260</u>
At 31 July 2018	<u>£91,484,163</u>	<u>£90,909,791</u>	<u>£574,372</u>

The original land and buildings of the School are subject to a permanent endowment. The Endowment Fund reflects the rebased cost of assets principally constituting the main Island Site, following engagement with the Charity Commission, as at 31 July 2016 (see note 12).

Depreciation calculated on a historical basis would be lower by £495,720 than the amount shown above (2018: lower by £495,720).

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

7. FIXED ASSET INVESTMENTS

	Endowment £	Total 2019 £	Total 2018 £
Market value			
At 1 August 2018	1,303,415	1,303,415	1,204,941
Additions	197,356	197,356	234,034
Disposals	(184,038)	(184,038)	(207,639)
Revaluations	69,625	69,625	72,079
	<u>1,386,358</u>	<u>1,386,358</u>	<u>1,303,415</u>
Cash awaiting investment	35,509	35,509	39,287
At 31 July 2019	<u>£1,421,867</u>	<u>£1,421,867</u>	<u>£1,342,702</u>

8. STOCKS

	2019 £	2018 £
Catering, cleaning, stationery	<u>£45,484</u>	<u>£58,425</u>

9. DEBTORS

	2019 £	2018 £
Fees	403,335	475,245
Loans to employees	125,602	130,512
Prepayments and accrued income	1,606,831	916,311
Other debtors	3,404	17,883
	<u>£2,139,172</u>	<u>£1,539,951</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

10. CASH AT BANK AND IN HAND

	2019	2018
	£	£
Bank deposit and current accounts	£15,703,679	£7,971,861

11a. CREDITORS

	2019	2018
	£	£
Bank Loan	-	777,778
Fee deposits	3,403,472	3,031,295
Fees received in advance	1,460,520	1,314,179
Audit & accountancy	30,000	35,760
Accruals and deferred income	3,168,561	2,498,223
Other creditors	783,615	187,831
	<u>8,846,168</u>	<u>7,845,066</u>
Due after one year		
Advance payments	4,176,914	3,767,309
Bank Loan	-	14,222,222
Pension provision	1,283,000	973,000
Other Loans	20,000,000	-
	<u>£34,306,082</u>	<u>£26,807,597</u>

The bank loan noted in the previous year of £15m was fully repaid during the year. All costs associated with this are included within the finance costs of the Statement of Financial Activities.

On the 24 July 2019, the school entered into a private placement for £60m funding paid to the School in three tranches to assist in the financing of the School's capital programme. The first drawdown of £20m was received on 24 July 2019 with an interest rate of 3.01% repayable on the 24 September 2054. The second drawdown totalling £40m will be received on 24 September 2019; £10m with an interest rate of 2.90% repayable on the 24 September 2044 and £30m with an interest rate of 2.94% repayable on the 24 September 2049. For all three tranches the first interest payment will be made on 24 March 2020 and at six-monthly intervals thereafter.

At 31 July the School had the following annual commitments under non-cancellable operating leases:

	2019	2018
	£	£
Leases expiring within 1 year	11,103	7,784
Leases expiring between 2 - 5 years	28,571	10,314
Leases expiring between greater than 5 years	-	-
	<u>£39,674</u>	<u>£18,098</u>

HIGHGATE SCHOOL**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 JULY 2019**

I 1b. ADVANCE FEES	2019	2018
	£	£
After 5 years	615,500	765,916
Within 2 to 5 years	2,311,069	1,924,307
Within 1 to 2 years	1,250,345	1,077,086
	<hr/>	<hr/>
	4,176,914	3,767,309
Within 1 year	1,460,520	1,314,179
	<hr/>	<hr/>
	£5,637,434	£5,081,488
	<hr/> <hr/>	<hr/> <hr/>
		2019
		£
The movements during the year on the accrued liability under the contracts were:		
Balance at 1 August 2018		5,081,488
New contracts		2,035,983
		<hr/>
		7,117,471
Amounts utilised in payment of fees:		(1,480,037)
To the school		<hr/>
		£5,637,434
		<hr/> <hr/>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

12. ENDOWMENT FUNDS

	Balance at 1 August 2018 £	Net income/ (expenditure) £	Transfers Between Funds £	Investment gains(losses) £	Balance at 31 July 2019 £
Property Fund	27,789,363	-	-	-	27,789,363
Sinking Fund	201,768	350	-	28,628	230,746
Prize Fund	450,446	8,750	-	13,890	473,086
Furnival Jones Library Fund	23,743	-	-	732	24,475
Arthur (Bill) and Beryl Field Memorial Bursary Fund	454,005	-	-	14,000	468,005
Zikel Music Fund	72,031	-	-	2,221	74,252
	<u>£28,991,356</u>	<u>£9,100</u>	<u>£-</u>	<u>£59,471</u>	<u>£29,059,927</u>
PRIOR YEAR (2018):					
	Balance at 1 August 2017 £	Net income/ (expenditure) £	Transfers Between Funds £	Investment gains(losses) £	Balance at 31 July 2018 £
Property Fund	27,789,363	-	-	-	27,789,363
Sinking Fund	180,223	350	-	21,195	201,768
Prize Fund	420,248	6,951	-	23,247	450,446
Furnival Jones Library Fund	22,498	-	-	1,245	23,743
Arthur (Bill) and Beryl Field Memorial Bursary Fund	430,207	-	-	23,798	454,005
Zikel Music Fund	68,256	-	-	3,775	72,031
	<u>£28,910,795</u>	<u>£7,301</u>	<u>£-</u>	<u>£73,260</u>	<u>£28,991,356</u>

Property Fund: Represents the net book value as at 31 July 2016 of the endowed property of the School, principally constituting the main Island Site. Further details are provided in Note 14 of the accounts for year-ending 31 July 2016.

Sinking Fund: Represents the recoupment required under a Charity Commission scheme on the utilisation of endowed funds in earlier years which expires in 2019.

Prize Fund: Represents donations received where the capital element was to be retained and the income arising utilised for awards to pupils.

Furnival Jones Library Fund: Represents a donation received where the capital element was to be retained and the income arising utilised for the library.

Arthur (Bill) and Beryl Field Memorial Bursary Fund: a fund established from which the income is to provide bursarial assistance at the discretion of Governors.

Zikel Music Fund: A fund established from which the income be used for or towards music tuition (including the hire of the associated instrument) for a promising pupil entering the school who would not otherwise be able to afford the cost of such tuition.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

13. RESTRICTED FUNDS

	Balance at 1 August 2018 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/(losses) £	Balance at 31 July 2019 £
Furnival Jones Library Fund	1,787	469	-	-	2,256
Outreach Project	21,190	(13,324)	-	-	7,866
Robin Barnard Bequest	29,750	-	-	-	29,750
Bursary Fund	872,290	164,200	-	-	1,036,490
LAET	114,817	(21,006)	-	-	93,811
LAET Library	2,330	(2,330)	-	-	-
Open Door	54,431	-	-	-	54,431
Arthur (Bill) and Beryl Field Memorial Bursary Fund	33,725	8,971	-	-	42,696
Learning Support Fund	200,000	(24,176)	-	-	175,824
Museum Fund	6,058	(6,058)	-	-	-
Other Funds	-	9,880	-	-	9,880
Mental Health Fund	150,000	-	-	-	150,000
	<u>£1,486,378</u>	<u>£116,626</u>	<u>£-</u>	<u>£-</u>	<u>£1,603,004</u>

PRIOR YEAR (2018):

	Balance at 1 August 2017 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/(losses) £	Balance at 31 July 2018 £
Furnival Jones Library Fund	1,318	469	-	-	1,787
Outreach Project	21,063	127	-	-	21,190
Robin Barnard Bequest	29,750	-	-	-	29,750
Bursary Fund	673,924	198,366	-	-	872,290
LAET	236,450	(121,633)	-	-	114,817
LAET Library	23,505	(21,175)	-	-	2,330
Open Doors Fund	54,431	-	-	-	54,431
Arthur (Bill) and Beryl Field Memorial Bursary Fund	24,766	8,959	-	-	33,725
Learning Support Fund	-	200,000	-	-	200,000
Museum Fund	6,033	25	-	-	6,058
Other Funds	2,000	(2,000)	-	-	-
Mental Health Fund	-	150,000	-	-	150,000
	<u>£1,073,240</u>	<u>£413,138</u>	<u>£-</u>	<u>£-</u>	<u>£1,486,378</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

13. RESTRICTED FUNDS (continued)

Library Fund: donations received towards the improvements in library facilities at Highgate School.

Robin Barnard Bequest: for the benefit of pupils wishing to pursue careers in medicine or science.

Bursary Fund: donations received from fundraising to be used to fund future bursaries at the School.

Outreach Project, Capital Projects and E-learning Funds: donations received for the purposes described in the fund name.

Open Door: donation received to encourage pupils in their explanation or understanding of the Christian faith.

Arthur (Bill) and Beryl Field Memorial Bursary Fund: see Note 12.

Zikel Music Fund: see Note 12.

Museum fund: A fund established to assist in the development and ongoing costs associated with the School Museum.

LAET: A fund following a Gala event and other donations throughout the year to raise money for LAE Tottenham.

LAET Library: A fund to support purchase of books for LAE Tottenham.

Other: Donations received for CCF and PPS/JS.

Learning Support: Donation received for additional staffing to strengthen Learning Support.

Mental Health: Donation received towards staffing costs for enhanced mental health provision.

14. UNRESTRICTED FUNDS

	Balance at 1 August 2018 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/ (losses) £	Balance at 31 July 2019 £
<u>Designated Funds</u>					
Property Fund	45,111,771	-	1,987,399	-	47,099,170
<u>General Funds</u>					
Revenue Reserve	-	1,987,399	(1,987,399)	-	-
TOTAL	£45,111,771	£1,987,399	£-	£-	£47,099,170
PRIOR YEAR (2018):					
	Balance at 1 August 2016 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/ (losses) £	Balance at 31 July 2018 £
<u>Designated Funds</u>					
Property Fund	42,337,095	-	2,774,676	-	45,111,771
<u>General Funds</u>					
Revenue Reserve	-	2,774,676	(2,774,676)	-	-
TOTAL	£42,337,095	£2,774,676	£-	£-	£45,111,771

The Property Fund reflects the net book value of unrestricted fixed assets together with the proceeds of asset disposals which the Governors intend to reinvest in fixed assets.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

15. ANALYSIS OF THE NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Investments £	Net Current Assets less Liabilities £	Long term Liabilities £	Total £
Endowment Funds	27,789,363	1,421,867	(151,303)	-	29,059,927
Restricted Funds	-	-	1,603,004	-	1,603,004
Unrestricted :					
General	-	-	-	-	-
Designated	64,968,618	-	7,590,466	(25,459,914)	47,099,170
	<u>£92,757,981</u>	<u>£1,421,867</u>	<u>£9,042,167</u>	<u>£(25,459,914)</u>	<u>£77,762,101</u>

PRIOR YEAR (2018):

	Fixed Assets £	Investments £	Net Current Assets less Liabilities £	Long term Liabilities £	Total £
Endowment Funds	27,789,363	1,342,702	(140,709)	-	28,991,356
Restricted Funds	-	-	1,486,378	-	1,486,378
Unrestricted :					
General	-	-	-	-	-
Designated	63,694,800	-	379,502	(18,962,531)	45,111,771
	<u>£91,484,163</u>	<u>£1,342,702</u>	<u>£1,725,171</u>	<u>£(18,962,531)</u>	<u>£75,589,505</u>

16. CAPITAL COMMITMENTS

	2019	2018
Authorised and contracted for	<u>£3,192,000</u>	<u>£2,780,000</u>

17. PENSION COMMITMENTS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,969,730 (2018: £1,832,312) and at the year-end £Nil (2018 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

17. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme (continued)

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Pension Trust

Highgate School participates in the Independent Schools' Pension Scheme (ISPEN). The Scheme is funded and is contracted out of the state scheme. ISPEN is a multi-employer defined benefit scheme. 162 employees currently participate in the scheme. 154 employees participate on a final salary basis with a 1/80th accrual rate. From 1 September 2018, these employees made a contribution of 6% of pensionable salary to the scheme whereas the School made an employer contribution of 13.4%. A further 8 employees, who pre-1996 were members of the Highgate School Retirement and Death Benefits Scheme, participate on a final salary basis with a 1/60th accrual rate. These employees made a contribution of 6% whereas the School's contribution was 19.7%.

The last formal valuation of the scheme was performed as at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method. The market value of the scheme's assets at the valuation date was £149.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2 million, equivalent to a past service funding level of 80%. Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions, from all participating employers allocated in line with their estimated share of the scheme liabilities, of £2.4 million per annum from 1 September 2019 to 30 April 2030. These deficit contributions are in addition to the long-term joint contribution rates (highlighted above but which are due to increase from 1 September 2019 from 19.4% to 22.8% (1/80th accrual rate) and from 25.7% to 30.2% (1/60th accrual rate)).

There is a potential debt on the employer that could be levied by the Trustees of the scheme. The debt is due in the event of the employer ceasing to participate in the scheme or the scheme winding up. Highgate School has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the scheme as at 30 September 2018. As of this date the estimated employer debt was £7,503,157. This amount is not provided for in the accounts as it is not considered likely that the School will withdraw from the scheme.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

18. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
COMPARATIVE FIGURES BY FUND

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £
INCOME FROM:						
<i>Charitable activities</i>						
School fees receivable	1	32,468,651	-	-	-	32,468,651
Other educational income	2	290,805	-	-	-	290,805
Ancillary trading income	2	1,382,328	-	-	-	1,382,328
<i>Investments</i>						
Bank and other interest		7,466	-	8	6	7,480
Investment income		5,488	-	10,841	9,095	25,424
<i>Voluntary sources</i>						
Donations	3	691,878	-	985,695	-	1,677,573
Total Income		<u>34,846,616</u>	<u>-</u>	<u>996,544</u>	<u>9,101</u>	<u>35,852,261</u>
EXPENDITURE ON:						
<i>Raising funds</i>						
Finance costs		506,267	-	-	-	506,267
<i>Charitable activities</i>						
School operating costs		31,565,673	-	583,406	1,800	32,150,879
Total expenditure	4	<u>32,071,940</u>	<u>-</u>	<u>583,406</u>	<u>1,800</u>	<u>32,657,146</u>
NET INCOME		2,774,676	-	413,138	7,301	3,195,115
Gains on investment assets		-	-	-	73,260	73,260
Transfers between funds	14	(2,774,676)	2,774,676	-	-	-
Net movement in funds		-	2,774,676	413,138	80,561	3,268,375
Balances brought forward at 1 August 2016		-	42,337,095	1,073,240	28,910,795	72,321,130
Balances carried forward at 31 July 2018		-	<u>£45,111,771</u>	<u>£1,486,378</u>	<u>£28,991,356</u>	<u>£75,589,505</u>