

REGISTERED COMPANY NUMBER: 07521636 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR
RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2017**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Governance Statement	7 to 9
Statement on Regularity, Propriety and Compliance	10
Statement of Trustees Responsibilities	11
Report of the Independent Auditors	12 to 13
Independent Accountant's Report on Regularity	14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Cash Flow Statement	18
Notes to the Financial Statements	19 to 33

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

MEMBERS

C J Marten
A Marley
P S Reaney
D S Robson
J E Halstead (resigned 05.12.17)
Dr A Canale-Parola
S Brady

TRUSTEES

A D Alonzi
S J Anstee
S Brady
Dr A Canale-Parola
C Dickens (resigned 28.02.17)
J Gilbert
C W P Hull (resigned 10.05.17)
A Marley
C J Marten
M J Moran
Dr E Pyne (appointed 30.1.17)
P S Reaney
D S Robson
S Saghir
R Street
G Walters
L J Williams

COMPANY SECRETARY

A M Kerr

REGISTERED OFFICE

Rugby High School
Longrood Road
Rugby
Warwickshire
CV22 7RE

REGISTERED COMPANY NUMBER

07521636 (England and Wales)

AUDITORS

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2017**

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The school's main objectives during the year 1st September 2016 to 31st August 2017 were to raise standards of learning by:

- ensuring that staff used data to inform their teaching so that all students, including students with a special educational need, are appropriately challenged and supported resulting in at least good progress over time.
- ensuring that all staff develop an aspect of their practice using Technology (including Frog) as a tool to promote effective learning.

Strategies employed to achieve these aims included:

- developing assessment and monitoring systems within the school to improve the consistency and reliability of assessment and allow for more effective, planned intervention to challenge underachievement.
- regularly reviewing the nature of interventions and their effectiveness
- capturing and sharing good practice
- a diverse provision including many opportunities for students to learn outside the classroom as well as from visiting experts.
- partnership and collaborative work with other primary, secondary and special schools.

Public benefit

In setting the objectives, governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on education.

The academy trust's objective is to advance for the public benefit education in the United Kingdom, in particular and without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

At 11+ students are admitted on the basis of performance in the entrance (11+) test. Up to ten places are reserved for students who receive free school meals. Of the remaining places up to fifty percent are awarded to students achieving the automatic standard for entry to this grammar school from East Warwickshire and up to fifty percent are awarded to students achieving the automatic standard for entry to this grammar school from the priority circle (a ten mile circle based around the Rugby Water Tower). Any remaining places are allocated to students on the waiting list who are judged to be of grammar school ability and those living out of area but achieving the automatic qualifying score. Sixth form places are provisionally offered on the basis of performance in mock examinations and teacher predictions. They are confirmed subject to meeting the general condition of 5A*-B (or grade 6) passes and to meeting the subject requirements in the subjects that the student wishes to study at A level. There is no Sixth Form catchment area.

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Achievement and performance

Charitable activities

The academy trust is in its sixth full year of operation. The total number of students on roll in the period ended 31st August 2017 was 833.

Student attainment was outstanding. In Year 13, the A*-C pass rate was 86.3% and the A*-E pass rate 100%. 9 students accepted places at either Oxford or Cambridge universities and the percentage of students taking up places at Russell Group universities increased to 56.7%. In Year 11, the Attainment 8 score increased to 71.8 and the school's Progress 8 score increased to 0.52 (well above average). In the new reformed English Language, English Literature and Maths GCSEs there was a 100% pass rate (all students achieving a grade 4 or better). 74% of entries in these new examinations were awarded a grade 7 or higher (a grade 7 is the equivalent of an A grade under the old system). In the unreformed subjects the A*-C pass rate was 98.7%.

Students benefited from a broad range of learning activities outside the classroom including trips to India, France, Costa Rica, Croatia and Switzerland. Closer to home, students in Years 7-10 visited the Reading Museum and the Black Country Museum. We took students to visit the Houses of Parliament and to see productions at a range of local theatres. Year 9 enjoyed a week of adventure activities at Marle Hall and some students in KS4 and 5 completed their Duke of Edinburgh Awards (Gold, Silver and Bronze). Our students were national finalists in the Industrial Cadet of the Year awards, the Poetry by Heart and the Christopher Tower poetry competitions.

During 2016-2017, the school continued to develop the use of ICT in learning. Use of the school's VLE, Frog, continued to increase. The school is a partner school sharing its expertise with other local schools. Bring Your Own Device has continued to transform the nature and pace of learning in lessons. SISRA (our data analysis system), and School IP are enabling the school to become increasingly rigorous in its assessments and reflections and to target interventions more effectively.

During 2016-2017, a new Sports Hall was completed, funded through the Condition Improvement Fund. This has significantly increased the range of sports that can be offered to students and is making a contribution to improved levels of fitness in the local community as well as in the school. When it is not in use by the school, the sports hall is available for hire and it is proving a popular option for local groups wanting access to an indoor sports facility.

As Vice Chair of the Grammar School Heads' Association, the Headteacher has continued to work on improving access to grammar schools for children from deprived backgrounds. She has also given advice and support to grammar schools on a range of other issues including funding. The school has continued to support the local behaviour partnership and school improvement consortium. The school buildings continue to be used by a variety of local community groups out of school hours and during the school holidays.

The school has reviewed its self-evaluation processes in the light of changes to the Ofsted framework and continues to make use of an independent quality assurance advisor (who is also a practising Ofsted inspector) to assure the robustness of its self-evaluation.

Key financial performance indicators

The governors manage the academy on a funding stream basis, and employ a number of key performance indicators to monitor the expenditure requirements of the Funding Agency and performance or position of the academy.

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Financial review

Investment policy

In a period of financial uncertainty and low interest rates, the academy trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

Financial review

The academy trust's accounting period for this sixth full year of operation is 1st September 2016 to 31st August 2017. Prior period comparatives are for the year 1st September 2015 to 31st August 2016. The majority of the academy's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities. ESFA funding increased by 1% due to the number on roll increasing. Staff costs of £3,379,684 have increased by 1% as a result of additional cover and educational support costs incurred together with increased contributions to the pension schemes. Allocated support costs have decreased by £23,689 as the result of a drive to control costs, particularly in respect of software and licences and admin costs such as replacement furniture, telephone, printing and stationery. Activities for generating funds as listed in note 3 to the financial statements provide enhancements to the educational service and are provided to students at no net cost to the academy.

Restricted general funds are now at 1% of the GAG. The school is budgeting to raise this level over the next few years to provide a higher level of contingency funds. The investment policy applies principally to the funds held to support ongoing operations and is therefore expected to provide maximum liquidity and minimal risk.

Reserves policy

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep the level of reserves under review. Reserves at the end of the period were £4,598,277.

Reserves will be used to maintain the school buildings and enhance the learning experience through ICT.

It is noted that the pension deficit has decreased over the year and the outstanding deficit will be managed over time as advised by the fund managers and actuaries.

Going concern

After making appropriate enquires, the Governing Body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the immediate future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Principal risks and uncertainties

The principal risks to the academy are financial and result from the continuing reduction in per capita funding for students and an increasing deficit on the Local Government Pension Scheme. In addition there are the usual risks associated with fraud, damage to reputation, and failure to maintain academic standards. Control measures have been put in place to mitigate all these risks. Under Financial Reporting Standard 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing the reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The academy is currently paying increased employer contributions to reduce this deficit.

Financial and risk management objectives and policies

The governors have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where financial risk still remains, the academy trust ensures adequate insurance cover. The school has an effective system of internal financial controls and this is explained in more detail in the governance statement.

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Future plans

The academy trust's aims and objectives for 2017-2020 are to raise standards of learning by:

- ensuring that all students make at least good progress through access to a quality provision which is innovative, challenging and meets their individual learning needs.
- equipping students with the knowledge, skills and understanding that they need to make informed life choices and enabling them to play an active and constructive role in their school, local and global communities.
- raising standards of learning by ensuring that leadership and management throughout the school are consistently inspirational, dynamic, efficient, effective, reflective and focused on delivering the school's aim.

Plans for 2017-2018 include:

- a continued focus on the delivery of outstanding learning experiences with a special focus on differentiation, building learners' resilience and increasing their capacity to become independent.
- embedding new courses in the curriculum in the light of changes to public examinations.
- a review of the assessment, recording and reporting systems and policies to ensure that they develop in a way that is compatible with a growth mindsets approach to learning.
- work on the formation of a Multi-Academy Trust with the Avon Valley School and College of Performing Arts.

Overseas expeditions planned for 2017-2018 include trips to Spain, Sweden and France.

Planned in service training for staff includes child protection (including safeguarding students from radicalisation and updated guidance on Youth Generated Sexual Imagery); building resilience in learners; supporting students with Special Education Needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Governors act as the trustees for the charitable activities of Rugby High School Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Rugby High School Academy Trust (also known as Rugby High School).

Details of the governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as maybe required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The academy trust is a member of the RPA, membership number 136595, which includes governors' liability insurance.

Principal activities

The Rugby High School Academy Trust provides education for academically able girls aged 11-18 who are wholly or mainly drawn from the area in which the school is situated. It has a special focus on science and languages.

Method of recruitment and appointment or election of trustees

The Governing Body consists of up to 18 members. There is one membership governor elected by the other governors. There is an LA governor nominated by Warwickshire County Council. There are three community governors and three partnership governors. The community and partnership governors are appointed by the Governing Body. There are three staff governors including the Headteacher who is appointed by virtue of office. The remaining staff governors are elected by the staff, one to represent the teaching staff and one to represent the support staff. Seven of the governors are parents of students who attend the school elected by the parent body to serve for a period of four years. Parents are notified via the school's newsletter that a vacancy has arisen and details of the election process. Expressions of interest are invited. Potential candidates are issued with an information pack that includes a nomination form. Ballot forms are issued on the basis of one form per parent/carer. Parents are asked to return forms to the clerk to the governors at the school.

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2017**

Policies and procedures adopted for the induction and training of Trustees

We expect all Trustees to undertake training as appropriate to their work at the school. New Trustees will be provided with an induction programme delivered partly in house and partly through external sources as required. A log is kept of all Trustees and reviewed on a regular basis at Trustee meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

As specified in the Articles of Association, the business of the academy trust is managed by the governors who exercise all the powers of the academy trust. In exercising their responsibilities, governors consider the advice given by the Headteacher and other executive officers. Governors are responsible for setting policies, planning and budget setting and making senior staff appointments. The governors are responsible for monitoring the performance of the Headteacher on a regular basis.

The Senior Leadership Team controls the academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and limits and for the appointment of staff with the exception of Senior Leadership Team members. The Headteacher is the academy's Accounting Officer. Shaun Brady is nominated as the Responsible Officer but was unable to discharge his duties.

Induction and training of new trustees

An induction pack is given to all newly appointed governors. The induction pack describes their role as a governor and gives some basic information about the school and the Governing Body (organisational structures, finance, personnel). The induction of governors is managed by the chair of governors. Governors are encouraged to identify their training needs which the school endeavours to meet either through mentoring, bespoke training or generic training.

Connected Organisations, including Related Party Transactions

The school has an access arrangement with Lawrence Sheriff School to broaden the curriculum for Sixth Form students from Rugby High School.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The academy holds no funds on behalf of others as a custodian trustee.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

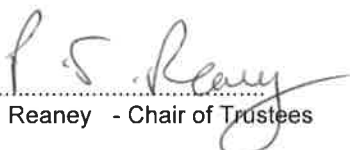
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

Atkinson Finch & co resigned during the year and Magma Audit LLP were appointed in their place. Magma audit LLP has expressed its willingness to remain in office as auditors.

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on6.12.17..... and signed on the board's behalf by:


P S Reaney - Chair of Trustees

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Rugby High School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss.

The board of the trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rugby High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The Governing body has formally met eight times during the year. The Finance and Premises Committee, the Quality Assurance and Curriculum Committee and the Personnel Committee are all subcommittees of the Governing Body. Their membership is described on page 1 of this report.

Attendance during the year at meetings of the board of trustees was as follows:

<u>Governor</u>	<u>Full Governing Body</u>	<u>Personnel</u>	<u>Quality Assurance and Curriculum</u>	<u>Finance and Premises</u>
Peter Reaney	8/8	3/3	2/3	1/2
Adrian Canale-Parola	4/8	n/a	2/3	n/a
Alexandra Marley	6/8	2/3	n/a	n/a
David Robson	2/8	n/a	n/a	1/2
Shaun Brady	1/8	n/a	n/a	0/2
Anthony Alonzi	8/8	n/a	3/3	n/a
Charlotte Marten	8/8	3/3	3/3	2/2
Catherine Dickens	1/8	n/a	1/3	n/a
*Janet Gilbert	5/8	3/3	n/a	n/a
*Sara Anstee	3/8	2/3	n/a	n/a
Michael Moran	6/8	n/a	n/a	2/2
Charles Hull	6/8	n/a	2/3	n/a
Elizabeth Pyne	6/8	n/a	1/3	n/a
Shakeel Saghir	4/8	2/3	n/a	n/a
Rachel Street	8/8	0/3	n/a	n/a
Gideon Walters	7/8	n/a	1/3	2/2
Lee Williams	5/8	n/a	n/a	2/2

*Janet Gilbert and Sara Anstee did not attend 2 and 4 meetings respectively, due to having pecuniary interests in the meetings.

The Committees have each reviewed their terms of reference to ensure they are relevant and directed at school improvement. The Governing Body carried out a skills audit to identify strengths and weaknesses. The results will be used to develop its capability through training and recruitment.

The Governing Body has also encouraged existing Governors to scrutinise and monitor more directly the daily activities and running of the academy.

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

Finance and Premises Committee

The purpose of the Finance and Premises Committee is to provide strategic leadership in relation to finance and premises issues. The major issues that the Committee has dealt with this year are: the construction of the new sports hall and the implications of a reducing grant award from the ESFA.

Personnel Committee

The purpose of the Personnel Committee is to provide strategic leadership and monitoring in relation to personnel issues. The major issues that the Committee has dealt with this year are: changes to the performance management processes for teachers and support staff and changes to the staffing structure to reduce costs.

Quality Assurance and Curriculum Committee

The purpose of the Quality Assurance and Curriculum Committee is to provide strategic leadership and monitoring in relation to self-evaluation, planning, curriculum and associated policies. The major issues that the Committee has dealt with this year are: a review of the school's performance in the light of the continuing changes to specifications at GCSE and A level, monitoring progress in relation to the school's SIDP (Single Integrated Development Plan) and participating in forward planning.

Review of Value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved. A few ways the Accounting Officer has delivered improved value for money during the year are:

- the introduction of LED lighting throughout the school to reduce energy consumption.
- reorganising staff to provide the best value in terms of quality of teaching and learning while keeping costs as low as possible.
- streamlining the curriculum to provide a balanced education for the students while ensuring they are challenged and well prepared for life after school.
- explored opportunities to collaborate with other local schools to form a MAT.

The Accounting Officer, Governors and Senior Leadership Team continue to monitor budgets and direct resources to provide the best educational and pastoral outcomes for students within a constrained financial environment.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rugby High School Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors. In June 2017 the school suffered a substantial ICT failure with data loss in the financial systems. Backup arrangements enabled the school to re-input the data and new hardware and software is providing a more secure platform across the school.

The Risk and Control Framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed by the Governing Body;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes including the Single Integrated Development Plan;
- setting budgets and targets to measure financial and other performance;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.


The Governing Board has appointed an Audit Committee to review the risks facing the school.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor
- the work of executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 6/12/17 and signed on its behalf by:


P S Reaney Chair of Trustees


Charlotte Marten - Accounting Officer

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 August 2017**

As accounting officer of Rugby High School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Charlotte Marten - Accounting Officer

Date: 6/12/17

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES RESPONSIBILITIES
for the Year Ended 31 August 2017**

The trustees (who act as governors of Rugby High School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

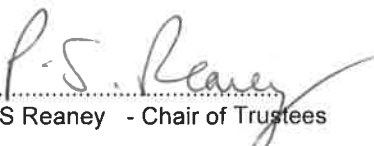
The trustees are responsible for ensuring that in its conduct and operation the academy trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 6/12/17 and signed on it's behalf by:


P S Reaney - Chair of Trustees

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Rugby High School Academy Trust (the 'academy trust') for the year ended 31 August 2017 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2016 to 2017 issued by the Education & Skills Funding Agency (ESFA).

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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.

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 academy trust'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 academy trust'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 academy trust or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Magma Audit LLP

Richard Lodder (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: *7th December 2017*

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
RUGBY HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 February 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rugby High School Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Rugby High School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rugby High School Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rugby High School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rugby High School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Rugby High School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the Academy Trust regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Magma Audit LLP

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: *7th December 2017*

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 August 2017**

		Unrestricted fund £	Restricted fund £	Fixed asset restricted £	31.8.17 Total funds £	31.8.16 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Other trading activities	2	227	-	765,687	765,905	777,746
Charitable activities						
Funding for the academy's educational operations	3		3,718,787	-	3,718,787	3,685,976
Other trading activities	4	<u>48,727</u>	<u>635,341</u>	<u>-</u>	<u>684,068</u>	<u>602,697</u>
Total		48,954	4,354,128	765,678	5,168,760	5,066,419
EXPENDITURE ON Charitable activities						
Academy's educational operations	6	<u>16,010</u>	<u>4,412,484</u>	<u>226,439</u>	<u>4,654,933</u>	<u>4,512,329</u>
NET INCOME/(EXPENDITURE)		32,944	(58,356)	539,239	513,827	554,090
Transfers between funds	17	<u>-</u>	<u>(2,331)</u>	<u>2,331</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>560,000</u>	<u>-</u>	<u>560,000</u>	<u>(566,000)</u>
Net movement in funds		32,944	499,313	541,570	1,073,827	(11,910)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>40,704</u>	<u>(1,484,250)</u>	<u>4,967,996</u>	<u>3,524,450</u>	<u>3,536,360</u>
TOTAL FUNDS CARRIED FORWARD		<u>73,648</u>	<u>(984,937)</u>	<u>5,509,566</u>	<u>4,598,277</u>	<u>3,524,450</u>

The notes form part of these financial statements

RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07521636

BALANCE SHEET
At 31 August 2017

	Notes	31.8.17 £	31.8.16 £
FIXED ASSETS			
Tangible assets	11	5,509,566	4,967,996
CURRENT ASSETS			
Debtors	12	159,570	255,780
Cash at bank and in hand		288,886	356,247
		<u>448,456</u>	<u>612,027</u>
CREDITORS			
Amounts falling due within one year	13	(209,745)	(462,067)
		<u>238,711</u>	<u>149,960</u>
NET CURRENT ASSETS			
		<u>5,748,277</u>	<u>5,117,956</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	14	-	(506)
PENSION LIABILITY	18	(1,150,000)	(1,593,000)
		<u>4,598,277</u>	<u>3,524,450</u>
NET ASSETS			
FUNDS	17		
Unrestricted funds:			
General fund		73,648	40,704
Restricted funds:			
Restricted		(984,937)	(1,484,250)
Fixed asset restricted		5,509,566	4,967,996
		<u>4,524,629</u>	<u>3,483,746</u>
TOTAL FUNDS		<u>4,598,277</u>	<u>3,524,450</u>

The financial statements on pages 15 to 33 were approved and authorised for issue by the Board of Trustees on 6/12/17 and were signed on its behalf by:


P S Reaney – Chair of Trustees


Ms C J Marten – Accounting Officer

The notes form part of these financial statements

RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
for the Year Ended 31 August 2017

	Notes	31.8.17 £	31.8.16 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(65,917)</u>	<u>43,547</u>
Net cash provided by (used in) operating activities		<u>(65,917)</u>	<u>43,547</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(768,010)	(623,527)
Capital grants from DfE/ESFA		764,790	774,603
Fixed asset donations		<u>1,115</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(1,444)</u>	<u>151,076</u>
Cash flows from financing activities:			
Loan repayments in year		<u>-</u>	<u>(1,011)</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>(1,011)</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(67,361)	193,612
Cash and cash equivalents at the beginning of the reporting period		<u>356,247</u>	<u>162,635</u>
Cash and cash equivalents at the end of the reporting period		<u>288,886</u>	<u>356,247</u>

The notes form part of these financial statements

**RUGBY HIGH SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 August 2017**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.17	31.8.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	513,827	554,090
Adjustments for:		
Depreciation	226,440	227,275
Capital grants from DfE/ESFA	(764,790)	(774,603)
Capital donations	(1,115)	-
Decrease/(increase) in debtors	96,210	(105,763)
(Decrease)/increase in creditors	(252,828)	70,548
FRS 102 pension costs less contributions	117,000	72,000
Net cash provided by (used in) operating activities	<u>(65,917)</u>	<u>43,547</u>

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparing the financial statements

These financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102), the Accounting and Reporting by Charities: 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Rugby High School Academy Trust constitutes a public benefit entity as defined by FRS 102.

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other trading activities, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities

All resources expended are inclusive of irrecoverable VAT.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £500 or more are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2%-10% on cost
Fixtures & fittings	20% on cost
Computer equipment	33% on cost
Catering equipment	15% on cost
Motor vehicles	10% on cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Operating leases

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

Cash at bank

Cash at bank and 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.

Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and page 21 for the useful economic lives for each class of assets.

2. DONATIONS AND CAPITAL GRANTS

			31.8.17	31.8.16
	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £
Donations	227	-	888	1,115
Capital grants	-	-	764,790	764,790
Total	227	-	765,678	777,746

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total Funds £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	3,639,906	3,639,906	3,607,307
Other DfE/ESFA grants	-	78,881	78,881	78,669
	-	3,718,787	3,718,787	3,685,976

RUGBY HIGH SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Fundraising events	-	-	-	42,417
Catering sales	1,172	234,076	235,248	203,875
Music tuition income	-	-	-	35,732
Hire of facilities	18,662	-	18,662	13,347
School visits income	9,390	225,549	234,939	159,847
Transport income	-	100,877	100,877	86,987
Other student activities income	14,409	61,267	75,676	33,827
Other income	5,094	13,572	18,666	26,665
	<u>48,727</u>	<u>635,341</u>	<u>684,068</u>	<u>602,697</u>

5. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.17 Total £	31.8.16 Total £
Charitable activities					
Academies educational operations					
Direct costs	2,819,940	-	475,642	3,295,582	3,129,289
Allocated support costs	559,744	127,222	672,385	1,359,351	1,383,040
	<u>3,379,684</u>	<u>127,222</u>	<u>1,148,027</u>	<u>4,654,933</u>	<u>4,512,329</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.17 £	31.8.16 £
Depreciation - owned assets	226,440	227,275
Auditors' remuneration	7,000	7,080
operating leases	<u>39,942</u>	<u>5,307</u>

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Direct costs	-	3,295,582	3,295,582	3,129,289
Support costs	16,010	1,343,341	1,359,351	1,383,040
	<u>16,010</u>	<u>4,638,923</u>	<u>4,654,933</u>	<u>4,512,329</u>

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2017

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.17 Total £	31.8.16 Total £
Analysis of support costs		
Support staff costs	559,744	633,280
Depreciation	226,439	90,224
Technology costs	-	22,701
Premises costs	127,222	277,067
Other support costs	438,946	351,654
Governance costs	7,000	8,114
Total support costs	1,359,351	1,383,040

7. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their role as a Trustee..

	Year ended 31.08.17 £	Year ended 31.08.16 £
Charlotte Marten (Head teacher)	90,098	89,186
Charlotte Marten Pension	15,178	14,848
Gideon Walters (Staff governor)	24,517	15,418
Gideon Walters Pension	4,013	2,220
Anthony Alonzi (Staff governor)	49,693	48,951
Anthony Alonzi Pension	8,189	7,971
A Marley (Exam invigilator)	-	178

During the year, no Trustees received any benefits in kind.

During the year ended 31 August 2017, the Headteacher received reimbursed expenses of £1,866 (2016: £886) in relation to her role as Headteacher. No other governors received any benefits-in-kind or reimbursement of expenses.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2017

8. STAFF COSTS

	31.8.17 £	31.8.16 £
Wages and salaries	2,566,835	2,623,498
Social security costs	234,987	202,365
Pension costs	549,760	498,771
	<u>3,351,582</u>	<u>3,324,634</u>
Supply teacher costs	28,102	29,930
	<u>3,379,684</u>	<u>3,354,565</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.17	31.8.16
Teachers	62	58
Administration and support	62	62
Management	4	4
	<u>128</u>	<u>124</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.8.17	31.8.16
£60,001 - £70,000	2	1
£90,001 - £100,000	1	1
	<u>3</u>	<u>2</u>

The above employees participated in the Teacher' Pension Scheme. During the year ended 31 August 2017 pension contributions for this staff member amounted to £35,697 (2016: £41,751).

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £210,876 (2016: £305,763). These figures include salary costs of all Trustees employed by the academy trust, even where they have no management role within their employment.

9. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Fixed asset restricted £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	235	2,908	774,603	777,746
Charitable activities				
Funding for the academy's educational operations	-	3,685,976	-	3,685,976
Other trading activities	<u>28,253</u>	<u>574,444</u>	<u>-</u>	<u>602,697</u>
Total	28,488	4,263,328	774,603	5,066,419
EXPENDITURE ON Charitable activities				
Academy's educational operations	<u>16,770</u>	<u>4,268,284</u>	<u>227,275</u>	<u>4,512,329</u>
NET INCOME/(EXPENDITURE)	11,718	(4,956)	547,328	554,090
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(566,000)</u>	<u>-</u>	<u>(566,000)</u>
Net movement in funds	11,718	(570,956)	547,328	(11,910)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>28,986</u>	<u>(913,294)</u>	<u>4,420,668</u>	<u>3,536,360</u>
TOTAL FUNDS CARRIED FORWARD	<u>40,704</u>	<u>(1,484,250)</u>	<u>4,967,996</u>	<u>3,524,450</u>

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

11. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in course of construction £	Plant and machinery £
COST			
At 1 September 2016	4,760,520	770,286	85,650
Additions	719,152	-	-
Reclassification	770,286	(770,286)	-
At 31 August 2017	6,249,958	-	85,650
DEPRECIATION			
At 1 September 2016	661,792	-	69,022
Charge for year	156,910	-	12,848
At 31 August 2017	818,702	-	81,870
NET BOOK VALUE			
At 31 August 2017	5,431,256	-	3,780
At 31 August 2016	4,098,728	770,286	16,628

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2016	84,258	7,025	368,195	6,075,934
Additions	25,838	-	23,020	768,010
Reclassification	-	-	-	-
At 31 August 2017	110,096	7,025	391,215	6,843,944
DEPRECIATION				
At 1 September 2016	54,212	3,804	319,108	1,107,938
Charge for year	17,203	704	38,775	226,440
At 31 August 2017	71,415	4,508	357,883	1,334,378
NET BOOK VALUE				
At 31 August 2017	38,681	2,517	33,332	5,509,566
At 31 August 2016	30,046	3,221	49,087	4,967,996

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17 £	31.8.16 £
Trade debtors	22,586	20,339
Other debtors	1,788	5,522
VAT	30,142	149,907
Prepayments and accrued income	105,054	80,012
	<u>159,570</u>	<u>255,780</u>

RUGBY HIGH SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade creditors	51,815	82,529
Social security and other taxes	58,601	60,855
Other creditors	15,947	18,308
Accruals and deferred income	<u>83,382</u>	<u>300,375</u>
	<u>209,745</u>	<u>462,067</u>
 Deferred income	 31.8.17	 31.8.16
	£	£
Deferred income at 1 September 2016	284,315	54,044
Released from previous years	(284,315)	(54,044)
Resources deferred in the year	44,471	284,315
Deferred income at 31 August 2017	<u>44,471</u>	<u>284,315</u>

The closing balance of deferred income mainly relates to trip income received in advance of entitlement of receipt and fundraising pledges received in advance of associated expenditure.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.17	31.8.16
	£	£
Other creditors	<u>-</u>	<u>506</u>

The loan is interest free and repayable in six monthly instalments. The last instalment is due on 1 September 2017.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.17	31.8.16
	£	£
Within one year	35,431	25,228
Between one and five years	<u>59,045</u>	<u>8,493</u>
	<u>94,476</u>	<u>33,721</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	Fixed asset restricted	31.8.17 Total funds	31.8.16 Total funds
	£	£	£	£	£
Fixed assets	-	-	5,509,566	5,509,566	4,967,996
Current assets	73,648	374,808	-	448,456	612,027
Current liabilities	-	(209,745)	-	(209,745)	(462,067)
Long term liabilities	-	-	-	-	(506)
Pension liability	<u>-</u>	<u>(1,150,000)</u>	<u>-</u>	<u>(1,150,000)</u>	<u>(1,593,000)</u>
	<u>73,648</u>	<u>(984,937)</u>	<u>5,509,566</u>	<u>4,598,277</u>	<u>3,524,450</u>

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

17. MOVEMENT IN FUNDS

	At 1.9.16 £	Income £	Expenditure £	Transfer between funds £	Gains/ (Losses) £	At 31.8.17 £
Unrestricted funds						
General funds	40,704	48,954	(16,010)	-	-	73,648
Restricted funds						
General Annual Grant (GAG)	11,767	3,639,907	(3,641,620)	(2,331)	-	7,723
Other DfE/ESFA/Government grants	15,620	78,881	(55,657)	-	-	38,844
General fund	81,363	635,340	(598,207)	-	-	118,496
Pension reserve	(1,593,000)	-	(117,000)	-	560,000	1,150,000
	<u>(1,484,250)</u>	<u>4,354,128</u>	<u>(4,412,484)</u>	<u>(2,331)</u>	<u>560,000</u>	<u>(984,937)</u>
Restricted fixed asset fund						
Assets transferred from predecessor school	2,445,917	-	-	-	-	2,445,917
DfE/ESFA capital grants	2,367,895	764,790	(226,439)	-	-	2,906,246
Capital expenditure from GAG	69,795	-	-	-	-	69,795
Capital expenditure from general fund	80,112	-	-	2,331	-	82,443
Donations	4,277	888	-	-	-	5,165
	<u>4,967,996</u>	<u>765,678</u>	<u>(226,439)</u>	<u>2,331</u>	<u>-</u>	<u>5,509,556</u>
Total restricted funds	<u>3,483,746</u>	<u>5,319,306</u>	<u>(4,738,423)</u>	<u>-</u>	<u>560,000</u>	<u>4,524,619</u>
Total of funds	<u>3,524,450</u>	<u>5,268,260</u>	<u>(4,754,433)</u>	<u>-</u>	<u>560,000</u>	<u>4,598,277</u>

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

The DfE/EFSA restricted funds grants consists of Pupil Premium, 16-19 Bursary and rates relief. The carry forward balance represents unspent funds at the year end.

General funds represent funds help in respect of educational visits and events, and pledges paid for work on the Sports Hall. The carry forward balance represents unspent funds at the year end.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed assets

DfE/EFSA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent. The closing balance represents the net book value of the assets concerned.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2017

18. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £317,900 (2016: £312,700).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

RUGBY HIGH SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2017

18. PENSION COMMITMENTS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £148,000 (2016: £143,000), of which employer's contributions totalled £112,000 (2016: £113,000) and employees' contributions totalled £36,000 (2016: £30,000). The agreed contribution rates for future years are 22.4 per cent for employers and 23.4 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions	At 31.8.17	At 31.8.16
Rate of increase in salaries	2.7%	4.1%
Rate of increase in pensions	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.1%
Expected return on assets	3.8%	3.8%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31.8.17	At 31.8.16
Retiring today		
Males	22.5	22.4
Females	24.3	24.4
Retiring in 20 years		
Males	24.7	24.3
Females	26.7	26.6

The academy trust's share of the assets in the scheme were:

	Fair value at 31.8.17 £	Fair value at 31.8.16 £
Equities	1,081,000	794,000
Bonds	356,000	281,000
Corporate bonds	183,000	134,000
Cash and other liquid assets	33,000	12,000
Total market value of net assets	<u>1,663,000</u>	<u>1,221,000</u>

The actual return on scheme assets was £294,000 (2016: £148,000).

Amount recognised in the statement of financial activities:

	31.8.17 £	31.8.16 £
Current service costs	(197,000)	(149,000)
Interest income	26,000	36,000
Interest cost	<u>(58,000)</u>	<u>(72,000)</u>
Total	<u>(229,000)</u>	<u>(185,000)</u>

RUGBY HIGH SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017

18. PENSION COMMITMENTS
- continued

Changes in the present value of defined benefit obligations were as follows:

	31.8.17 £	31.8.16 £
At 1 September	(2,814,000)	(1,884,000)
Current service cost	(197,000)	(149,000)
Interest cost	(58,000)	(72,000)
Employee contributions	(36,000)	(30,000)
Actuarial (losses)/gains	266,000	(712,000)
Benefits paid	26,000	35,000
	<u>2,813,000</u>	<u>2,814,000</u>
Closing defined benefit obligation	<u>2,813,000</u>	<u>2,814,000</u>

Change in the fair value of the academy's share of scheme assets:

	31.8.17 £	31.8.16 £
At 1 September	1,221,000	929,000
Expected return on assets	26,000	36,000
Actuarial gains/(losses)	294,000	148,000
Employer contributions	112,000	113,000
Employee contributions	36,000	30,000
Benefits paid	(26,000)	(35,000)
	<u>1,663,000</u>	<u>1,221,000</u>
Closing fair value of scheme assets	<u>1,663,000</u>	<u>1,221,000</u>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to Employer Liability	Approximate monetary amount £
Change in assumptions as at 31 August 2017:		
0.5% decrease in Real Discount Rate	13 %	358,000
0.5% increase in the Salary Increase Rate	2 %	69,000
0.5% increase in the Pension Increase Rate	10 %	283,000

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

20. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.