

RUGBY HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24 - 25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 51

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C J Marten A Marley P S Reaney Dr A Canale-Parola
Trustees	P S Reaney, Chair of Trustees ¹ A D Alonzi A S Pophali ¹ Dr A Canale-Parola J Gilbert A Marley M J Moran (resigned 1 January 2020, re-appointed 20 March 2020) ¹ J King ¹ S Chettle-Gibrat ¹ M Grady (appointed 1 September 2019) R Street (resigned 1 January 2020) ¹ G Walters (resigned 26 January 2020) ¹ C D Goodier L Williams (resigned 31 January 2019) ¹ Finance and Premises Committee
Company registered number	07521636
Company name	Rugby High School Academy Trust
Principal and registered office	Rugby High School Longrood Road Rugby Warwickshire CV22 7RE
Company secretary	P Cartmell
Senior management team	M Grady, Headteacher P Cartmell, Business Manager J Grimes, Deputy Headteacher Y Grogan, Senior Assistant Headteacher O Dermott-Bond, Assistant Headteacher
Independent auditors	Magma Audit LLP Chartered Accountants Magma House 16 Davy Court Castle Mound Way Rugby CV23 0UZ

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates an Academy for students (girls) aged 11-16 and a mixed (girls and boys) sixth form serving East Warwickshire and an area centred on Rugby Water Tower with a radius of 10 miles. It has a pupil capacity of 600 in the Main School Years 7-11 and up to 300 in the Sixth Form. The Academy Trust had a roll of 596 in the Main School and 299 in the Sixth Form in the school census on 21 May 2020.

Structure, governance and management

● **Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Rugby High School Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Rugby High School Academy Trust (also known as Rugby High School). The school converted to Academy status on 8 March 2011 when its operations, assets and liabilities were transferred from the Local Authority.

Details of the Trustees who served during the year, and to the date these accounts are approved 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 may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

● **Trustees' indemnities**

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 officer indemnity element from the overall cost of the RPA scheme.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

● **Method of recruitment and appointment or election of Trustees**

The Governing Body consists of 18 Trustees, with 11 posts currently occupied. 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.

● **Policies adopted for the induction and training of 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. The school subscribes to Warwickshire Governor Services through which Governors are able to access face to face training. Governors are able to access safer recruitment and safeguarding training courses organised by the Warwickshire Safeguarding. The school also subscribes to online Governor safeguarding training through its recruitment consultant – Hays PLC.

● **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 and serves as a Trustee. The current Headteacher was appointed on the 1 September 2019. The Internal Auditor position was held by Rachel Street (Governor) until her resignation.

● **Arrangements for setting pay and remuneration of key management personnel**

The arrangements for setting the pay and remuneration of the Academy Trust's key management personnel are those set out in the School Teachers' Pay and Conditions Document (STPCD) 2017. The school is categorised at a Group 6 school according to Section 6 of the STPCD. The Trustees exercised their right to re-set the salary of the Headteacher to L32 when the new Headteacher was appointed in September 2019. The Headteacher's salary is benchmarked against that of other local secondary Headteachers. The salary arrangements for the Deputy Headteacher and the Assistant Headteacher are compliant with paragraph 9.4 of the STPCD.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	3,703,748
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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• **Related parties and other connected charities and organisations**

The school has a connected charity which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction 2019 to 2020 (SORP 2015) some summary details of this charity's activities are included in note 29 to the financial statements.

Objectives and activities

• **Objects and aims**

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"). The school provides an academic secondary education to the young people of Rugby and the surrounding area. In line with its funding agreement, although it offers a broad curriculum for young women and men up to the age of nineteen, it places a special emphasis on science and languages.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

● **Objectives, strategies and activities**

Core Target 1:

To focus the Rugby High School Community on the importance of wellbeing, supporting all individuals in self-care and embedding understanding of how to be a responsible, happy and successful global citizen.

Core Target 2:

To review the curriculum offered at Rugby High School from years 7 to 13, including key transition points so that all students progress through a rich and structured curriculum that is appropriately challenging at all stages, resulting in the very best outcomes for all.

Core Target 3:

To reflect on and develop teaching and learning best practice, sharing and celebrating diversity of pedagogy, content and skills, enhancing teaching at all levels to nurture curiosity, resilience and outstanding learning habits for all students.

Strategies employed to achieve these aims included:

- A detailed Curriculum review led by the new Deputy Head Teacher, working closely with HODS.
- The use of the Teaching and Learning group to develop and share a variety of good practice around assessment and differentiation in addressing SEN needs and the needs of all students.
- A review of and implementation of a new Behaviour system designed to support and praise positive behaviour choices
- The continued use of SISRA Analytic's new Expected Attainment Pathway (EAP) function to track student progress over time and to challenge and hold staff to account.
- 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.
- An increased focus on Staff-training and development
- More involvement from students at every level in responsibility posts – new roles in the sixth form in particular allowing students to lead on current affairs and diversity

The activities that resulted from the strategies indicated above included:

- Provision of a broad and balanced curriculum to students in Years 7-13.
- A series of trips and visits including to Dorset (Geography and Biology), Birmingham and London (Geography) to undertake field work. Trips to the theatre in the UK to bring plays to life and help students to develop their analytical and reflective skills. Visits to historical and cultural sites associated with the curriculum in History and PHSE.
- Delivery of a series of externally determined award schemes e.g. the Crest Scheme, Go4Set and the Duke of Edinburgh Award Scheme.
- A series of learning walks and observations led by senior leaders to monitor and evaluate classroom practice.
- A programme of Growth Mindset activities delivered during form time and a collapsed timetable day for Year 7 students.
- All students now part of the "reporting process" their own reflections on their attainment and progress now forming an official part of the reporting document.
- The use of INSET time to conduct a whole school planning morning reflecting on reporting and also in some detail on positive mental health
- Reflection in meetings at all levels on lessons learned from the second round of new GCSE and A Levels in

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- 2017-18 and adjustments to teaching made as a result.
- Increased staff training in remote learning throughout the lockdown
- Staff attendance at training events organised by public examination boards, Warwickshire County Council and the school designed to develop knowledge, understanding and effective professional practice.
- A series of forensic science workshops for local primary students and work with a targeted group of schools funded by the Institute of Physics to improve science education (specifically Physics).
- The Head Teacher serves as a member of AQA's Appeal Hearings Panel.

Covid Statement:

Through March, the senior team worked in an incredibly focussed way, beginning to plan for the needs of a potential lockdown, with the Head Teacher working on a clear process by which work would be set, sharing and consulting with HODS.

Rugby High School "locked down" on 19 March 2020. The ensuing weeks (and months) saw a remarkable effort from the Senior Team in ensuring that the School continued in spirit. The Head Teacher's direction to all staff was that the School has two key aspects: the safeguarding of our students and staff, and their continued education so that they can make progress through the curriculum. Focussing on two core elements ensured that day to day the progress of students was prioritised. Teams worked efficiently to ensure that parents, students and staff felt informed, connected and above all supported by the school, however remote seemed.

The Head Teacher wrote to all students and all staff daily throughout the lockdown with the deputy Head Teacher filling this role in his absence and a key aspect of staff and student wellbeing was addressed in this constant communication and connection.

The Head Teacher, following his use of contacts with OFQUAL led the process by which CAGs were awarded, ensuring integrity of the whole approach.

The team were given autonomy, as were middle leaders to lead their teams how best they saw fit, with regular Senior Leadership Team online meetings, and meetings of smaller teams to ensure that information was gathered and shared throughout.

Deputy Head Teacher led curriculum reflections, and parental and student surveys to manage student and staff workload, and the Head Teacher directed staff to work flexibly, ensuring that remote learning happened and was effective, but that it did not overwhelm either the workforce or the students.

The team essentially (along with the rest of the country) worked without a break from March to July.

The Deputy Head Teacher led the phased reopening of the school alongside the business manager in June, and the full team led the full reopening from the end of July through into September.

Staff attendance is very high, and the entire school is currently open and thriving.

As an organisation we ensured sound financial running throughout the lockdown, with trustees meeting towards the end of the lockdown to review procedures for reopening.

This has been an incredibly hard year for a new team. We have not only survived it, but delivered continued education, safeguarding and maintained the ethos of Rugby High School throughout.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

• **Public benefit**

Rugby High School Academy Trust is a charitable trust which seeks to benefit the public throughout the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the charity commission in exercising their powers or duties.

Strategic report

Achievements and performance

• **Key performance indicators**

Standards of learning are measured quantitatively by results in GCSE and A Level examinations. Although comparison is made in the section on Key Performance Indicators to 2019 data, it should be remembered that in many cases these were reformed (i.e. new) qualifications designed to be rather more challenging than the unreformed qualifications that they replaced. Equally, all grades mentioned in the report are as a result of Centre-Assessed Grades and not public examinations. The school reviews its performance in relation to that of students in other Warwickshire schools and in relation to schools nationally. Again, such comparative measures will not be possible this year, and as the DFE is not publishing school performance data this year, or applying accountability measures, the school used its own past performance to make judgements about performance this year.

The total number of students on roll for the period ended 31 August 2020 was 895. This is an increase of 27 students on the same period in 2019. The main school has continued to expand as the increase from three to four form entry, which began in 2013, has rolled through the school. The school remains heavily oversubscribed for entry into Year 7. Recruitment into the Sixth Form in September 2019 was stronger than in 2018, and is seemingly becoming a little more consistent. It is difficult to predict numbers moving forward. This is a function partly of increased competition from other local Sixth Forms and a drop in attainment in two local feeder schools which meant that fewer prospective applicants met the entry criteria for the Sixth Form. The school has formed very positive relationships with an 11-16 feeder school, and this year some 30% of joining students came from this school. Expansion has created some financial strain because of the lagged funding mechanism and this has been compounded by the imposition of a cap in gains (part of the Minimum Funding Guarantee). However, the Trustees continue to remain confident that in the long term the gains that will result from a larger number of students progressing into the Sixth Form from the main school will offset this. Entry into year 12 in September 2020 was the highest number of students for some years.

Student attainment was outstanding (remembering again that these are CAGs). In Year 13, there was a good level of consistency in results. Figures for 2019 are given in brackets. The A* B pass rate was 79.5% (69.3%). The A* C pass rate improved to 97.9% (89.9%). Over 50% of Year 13 students took up an offer of a place at a Russell Group University. 3 students accepted places at Oxford or Cambridge University. 77% of students who wanted to attend university took up their first choice place. 97% of students gained at least an offer. An incredible achievement in such a disrupted year.

In Year 11 the average grade in 2020 was an 8C, the highest average grade since reformed qualifications began. Using last year's progress measure, the Progress 8 score for the school was 0.9 (well above average) (0.61 in 2019 and 0.7 in 2018 – so pleasingly consistent).

Creative writing continues to be a strength of the school. Students who attend the school won prizes in competitions organised by the University of Lancaster, the Chaucer Heritage Trust and Rugby School and their work was commended by Corpus Christi College, Cambridge (the Christopher Marlowe Essay Competition) and

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Foyles (Foyles Young Poet Competition).

The school organised 28 trips (2019 - 21) in total involving 949 students. Of these: 4 were residential (112 students), and 2 of these overseas (80 students). Obviously the national lockdown affected the number of trips planned.

● **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

● **Financial review**

The Academy had a net decrease in funds for the year ended 31 August 2020 of £54,108 including fixed assets movements but excluding pension reserve movements. As at 31 August 2020 the Academy held £166,512 of unrestricted reserves plus £267,637 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £434,149.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £2,023,000 at 31 August 2020 and a fixed asset reserve of £5,943,870 being the book value of past purchases plus unspent capital grants.

Despite the global pandemic, there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy, as core funding from both the Government and Local Authorities is currently expected to continue. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year other than the aforementioned pandemic.

The principal sources of funding for the academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 3.3% of the annual budget, being approximately £150,000.

Actual free reserves plus unspent GAG as at 31 August 2020 were £338,290, being £188,290 higher than the target level set by the Trustees. The excess will be used to address overdue maintenance on the site and assist the leadership team with their plans in 2020/21. The academy also held other available restricted funds at the year end of £91,132 in relation to the Sports Hall improvements, £3,370 of unspent club funding and £1,357 in catering income. Total available reserves, being the above figures at 31 August 2020 were £434,149. Cash at bank at 31 August 2020 was £74,465 higher than total available reserves due principally to PAYE/NI and pension costs for August 2020 being paid over in September 2020 and some income received in advance of 2020/21.

At 31 August 2020 the Academy's fixed asset reserve of £5,943,870 represented £5,942,119 of funds which could only be realised if the assets were sold, plus £1,751 of unspent devolved formula capital.

The only reserve in deficit at the year end was the pension reserve (deficit of £2,023,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **Investment policy**

The school holds no investments other than its cash balance at the Yorkshire and Clydesdale Bank. Because of the tight operating margin, Governors are trying to increase the size of the reserve. Reserve funds are used to maintain the school buildings and enhance students' learning experience.

● **Principal risks and uncertainties**

The principal risks to the Academy are financial and are associated with pay and pensions. Teachers' pension costs increased significantly in the last two years. The government has funded approximately two thirds of the increase for the school and allowed the school to apply for the balance. There is however uncertainty that the balance will be met and more importantly whether the increase will be supported on an ongoing basis. The Academy retains its policy of trying to build reserves in an attempt to mitigate against these risks.

The Government increased funding in KS3/4 funding in September 2020 in their attempt to offer £5,000 per pupil funding across the country. The increased income has been used in part to widen the curriculum offer in KS4, assist with overdue maintenance of the site and allow plans to enhance the wider leadership team. The increase is however still insufficient overall and fails to address the additional needs brought on by the Coronavirus Pandemic.

A further risk to the school is that although capital items are depreciated, no proper strategy is in place to replace them because there are no funds to fund it. There are times during the course of the school year when the school has to be very careful about the timing of payments because the cash flow is at a critical point. In addition there are the usual risks associated with fraud, damage to reputation, and failure to maintain academic standards

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

Fundraising in 2019/20 was largely halted due to the Coronavirus Pandemic. The small amount of funds raised in the first term will be paid across in full to the nominated charities. The school engages in limited fundraising to fund its own activities. At the beginning of each year, it invites parents to contribute to its school fund which subsidises trips and visits and other activities which enhance the curriculum. The school's fundraising conforms to recognised standards. Fundraising is monitored by the Internal Auditor. The Complaints Policy would be used to investigate and address any complaints in relation to fundraising. The school has received no complaints in relation to fundraising. The school acknowledges its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and from undue pressure to donate. Former students are asked to give their consent to their data being used to inform them about fundraising initiatives. If this consent has not been given, they are not approached.

The school is not currently working with any professional fundraisers.

The school has a Parent Teacher Association (PTA) which participates in some school events and organises others. The PTA funds items of expenditure that might otherwise not be met.

Plans for future periods

During the academic year 2018/19 there was a significant change in the senior leadership of the school as both the Business Manager and the Headteacher retired. 2019/20 saw the most new staff start in either new posts or new to the school in several years. There was a new Head (promoted from Deputy of the School) and new Deputy and a new Head of sixth form (all internal appointments) and a new Business Manager (external appointment). The school had the largest turnover of staff in recent years with 6 new teaching staff starting and 4 new support staff. A key goal is a smooth transition to enable the new team to build on past successes.

The Trustees remain committed to forming a co operative MAT, although their original partner is unable to proceed. Identifying other suitable partners is high on the agenda for the school's new leadership and the new Head Teacher is in support of this. A MAT would increase the stability of the school and make it less vulnerable in a period of change and enhance its capacity to successfully bid for new provision. The school recognises that there are financial savings that can be realised from collaborating with other local schools, especially in support services. There is still capacity to expand the Sixth Form and maintaining the increase in Sixth Form numbers is crucial in terms of increasing income and reducing costs. There are no plans for further expansion of the school. However, there are plans to continue to improve the condition of the building. The Trust board undertook an NGA review in December 2019 that has given some key recommendations, and has resulted in the trust proposing to adopt DfE recommended articles of association.

Funds held as custodian on behalf of others

The school 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 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.

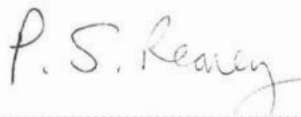
RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

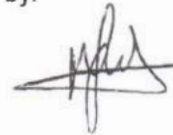
Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:



.....
P S Reaney
Chair of Trustees



.....
M Grady
Accounting Officer

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

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 or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P S Reaney, Chair of Trustees	4	4
A D Alonzi	2	4
L Williams	0	0
A S Pophali	4	4
Dr A Canale-Parola	4	4
J Gilbert	4	4
A Marley	4	4
M J Moran	4	4
J King	3	4
S Chettle-Gibrat	2	4
M Grady	2	4
R Street	1	2
G Walters	1	3
C D Goodier	4	4

The full Board meets four times per year with the Academy's financial status as a recurring agenda item. The board have appointed Finance and Personnel subcommittees of Trustees who meet a further three times per year and also have a standing agenda item to review the financial position in more detail. The schedule for these meetings are in different months to the full board meetings. The Business Manager is invited to present the current status at all of these meetings and the Accounting Officer serves on both committees. The Trustees believe this gives them sufficient oversight of Academy finances and that it jointly exceeds the directive for the Board to meet six times per year.

In undertaking its duties, the Board has had access to independent data about performance this includes data from public examination results, Fischer Family Trust data on performance, the government's school comparison tool and it employed an external quality assurance advisor to review the school's own evaluation of its performance. These data sources are objective and reliable. In reviewing the school's financial performance the board has access to reports generated directly from the school's finance system. The accounting officer has access to other data including the school's bank statements.

The Board did not complete a formal review of Governance in 2019/20, however in conjunction with the

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

appointment of a new Leadership Team the Board commissioned a full independent review of Governance within the Trust. The professional review by the National Governance Association commenced in October 2019 and its formal findings and recommendations were shared with Members, Trustees and the Senior Leadership Team in December 2019.

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 were ensuring the school was able to accommodate and afford all the changes required to safely open the school in July and again in September throughout the Coronavirus Pandemic.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P S Reaney	1	2
G Walters	0	1
M J Moran	1	1
A S Pophali	1	2
L Williams	0	0
R Street	1	1
S Chettle-Gibrat	2	2
J King	2	2
M Grady	2	2

Personnel Committee

The purpose of the Personnel Committee is to provide strategic leadership and monitoring in relation to personnel issues.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Marley	1	2
P S Reaney	2	2
J Gilbert	2	2
R Street	1	1
M Grady	2	2

Quality Assurance 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 have dealt with this year is review of the school's GCSE and A Level offer in the light of ever tightening budgets, ensuring a broad and balanced offer at both KS4 and 5 that makes the school competitive and prepares our students fully to move on into University.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Alonzi	1	1
C Goodier	1	1
M Grady	1	1
Dr A Canale-Parola	1	1

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

P Reaney

1

1

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 societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- ensuring that tenders for all significant projects were cost effective.
- streamlining the curriculum to provide a balanced education for the students while ensuring they are challenged and well prepared for life after school.
- 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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the 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 and agreed by the Board of Trustees
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed M Moran, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included testing of the procurement system.

On an annual basis, the reviewer reports to the Board of Trustees through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The latest internal audit visit was August 2020. No material control issues were identified as a result of the internal auditor's review work.

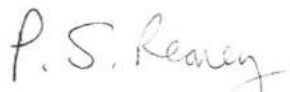
Review of effectiveness

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:

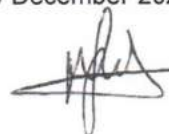
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on their behalf by:



.....
P S Reaney
Chair of Trustees



.....
M Grady
Accounting Officer

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 terms and conditions of all funding received by the Academy Trust, 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 2019. 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 2019.

Despite the considerable challenges that the Coronavirus Pandemic brought us, our focus firstly on the safeguarding of our students, and secondly their remote education, as well as the blended education we have provided since returning in September has been enormously successful. We have made considerable progress actioning the recommendations of the National Governance Association review of December 2019, and have a clear plan of how the final points can be addressed.

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.



M Grady
Accounting Officer
Date: 10 December 2020

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

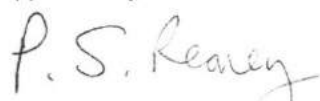
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company 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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company'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 members of the Board of Trustees and signed on its behalf by:



.....
P S Reaney

Chair of Trustees

Date: 10 December 2020

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RUGBY
HIGH SCHOOL ACADEMY TRUST**

Opinion

We have audited the financial statements of Rugby High School Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 United Kingdom, including the Financial Reporting Council'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.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RUGBY
HIGH SCHOOL ACADEMY TRUST (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RUGBY
HIGH SCHOOL ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust 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.

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

16th December 2020

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**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 15 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 year 1 September 2019 to 31 August 2020 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 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 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 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 dated 24 March 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by 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 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.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Magma Audit LLP

Magma Audit LLP

Magma House
16 Dary Court
Castle Mound Way
Rugby
CV23 0UZ

Date: 16th December 2020

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	7,646	2,965	38,479	49,090	561,633
Charitable activities	4	4,862	4,513,585	-	4,518,447	4,330,528
Other trading activities	5	41,894	78,662	-	120,556	210,201
Investments	6	959	-	-	959	1,758
Total income		55,361	4,595,212	38,479	4,689,052	5,104,120
Expenditure on:						
Raising funds		23,547	-	-	23,547	31,724
Charitable activities		-	4,626,648	270,965	4,897,613	4,855,630
Total expenditure	7	23,547	4,626,648	270,965	4,921,160	4,887,354
Net movement in funds before other recognised gains/(losses)		31,814	(31,436)	(232,486)	(232,108)	216,766
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(147,000)	-	(147,000)	(517,000)
Net movement in funds		31,814	(178,436)	(232,486)	(379,108)	(300,234)
Reconciliation of funds:						
Total funds brought forward		134,698	(1,576,927)	6,176,356	4,734,127	5,034,361
Net movement in funds		31,814	(178,436)	(232,486)	(379,108)	(300,234)
Total funds carried forward		166,512	(1,755,363)	5,943,870	4,355,019	4,734,127

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 51 form part of these financial statements.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07521636

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	5,942,119	6,176,356
		<u>5,942,119</u>	<u>6,176,356</u>
Current assets			
Stocks	14	2,815	-
Debtors	15	201,656	171,965
Cash at bank and in hand		508,614	304,791
		<u>713,085</u>	<u>476,756</u>
Creditors: amounts falling due within one year	16	(277,185)	(220,985)
Net current assets		<u>435,900</u>	<u>255,771</u>
Total assets less current liabilities		<u>6,378,019</u>	<u>6,432,127</u>
Net assets excluding pension liability		<u>6,378,019</u>	<u>6,432,127</u>
Defined benefit pension scheme liability	24	(2,023,000)	(1,698,000)
Total net assets		<u><u>4,355,019</u></u>	<u><u>4,734,127</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset fund	17	5,943,870	6,176,356
Restricted income fund	17	267,637	121,073
		<u>6,211,507</u>	<u>6,297,429</u>
Restricted funds excluding pension liability	17	6,211,507	6,297,429
Pension reserve	17	(2,023,000)	(1,698,000)
Total restricted funds	17	<u>4,188,507</u>	<u>4,599,429</u>
Unrestricted income funds	17	<u>166,512</u>	<u>134,698</u>
Total funds		<u><u>4,355,019</u></u>	<u><u>4,734,127</u></u>

The financial statements on pages 23 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07521636

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

P. S. Reaney

P S Reaney
Chair of Trustees
Date: 10 December 2020

The notes on pages 27 to 51 form part of these financial statements.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	201,113	(762,552)
Cash flows from investing activities	20	2,710	(5,774)
Change in cash and cash equivalents in the year		203,823	(768,326)
Cash and cash equivalents at the beginning of the year		304,791	1,073,117
Cash and cash equivalents at the end of the year	21, 22	<u>508,614</u>	<u>304,791</u>

The notes on pages 27 to 51 form part of these financial statements

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Rugby High School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Trust 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. Despite the global pandemic which was ongoing at the balance sheet date and subsequently, there are no material uncertainties over the Academy Trust's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Transfer on conversion**

Where assets are received by the Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants. The land and buildings are held on a 125 year lease with Local Authority.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 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**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 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 Part 11, chapter 3 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.

1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% - 10% on cost
Furniture and equipment	- 20% on cost
Plant and machinery	- 15% on cost
Computer equipment	- 33% 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.

1.8 Stocks

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.9 Cash at bank and in hand

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.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.10 Liabilities

Liabilities 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 Trust 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.

1.11 Provisions

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.

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 15. 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 cost as detailed in note 16. 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 instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders 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/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2020. 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 13 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	7,646	2,965	-	10,611	18,647
Capital grants	-	-	38,479	38,479	542,986
	<u>7,646</u>	<u>2,965</u>	<u>38,479</u>	<u>49,090</u>	<u>561,633</u>
<i>Total 2019</i>	<u>16,247</u>	<u>-</u>	<u>545,386</u>	<u>561,633</u>	

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,988,094	3,988,094	3,782,556
Other DfE Group Grants	-	270,715	270,715	77,126
	-	4,258,809	4,258,809	3,859,682
Other funding				
Catering income	-	165,433	165,433	223,817
School visits income	2,462	89,343	91,805	247,029
Other income	2,400	-	2,400	-
	4,862	4,513,585	4,518,447	4,330,528
<i>Total 2019</i>	8,761	4,321,767	4,330,528	

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transport income	-	47,159	47,159	70,961
Hire of facilities	19,056	-	19,056	30,076
Consultancy income	19,191	-	19,191	24,581
Student activities income	2,865	18,849	21,714	75,425
Other income	782	12,654	13,436	9,158
	41,894	78,662	120,556	210,201
<i>Total 2019</i>	57,098	153,103	210,201	

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	959	959	1,758
	<u>959</u>	<u>959</u>	
<i>Total 2019</i>	<u>1,758</u>	<u>1,758</u>	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds:					
Allocated support costs	19,191	1,096	3,260	23,547	31,724
Educational Operations:					
Direct costs	3,161,986	40,645	397,017	3,599,648	3,471,628
Allocated support costs	571,111	409,570	317,284	1,297,965	1,384,002
	<u>3,752,288</u>	<u>451,311</u>	<u>717,561</u>	<u>4,921,160</u>	<u>4,887,354</u>
<i>Total 2019</i>	<u>3,531,786</u>	<u>430,856</u>	<u>924,712</u>	<u>4,887,354</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations	3,599,648	1,297,965	4,897,613	4,855,630
	<u>3,599,648</u>	<u>1,297,965</u>	<u>4,897,613</u>	
<i>Total 2019</i>	<u>3,471,628</u>	<u>1,384,002</u>	<u>4,855,630</u>	

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS pension interest cost (£72,000) less return on assets (£40,000)	32,000	32,000	30,000
Staff costs	3,124,446	3,124,446	2,893,047
Other staff costs	48,540	48,540	41,724
Educational supplies	84,959	84,959	76,406
Examination fees	80,727	80,727	85,913
Staff development	12,188	12,188	8,355
Other direct costs	83,319	83,319	86,838
Depreciation	40,645	40,645	36,781
School visits expenditure	92,824	92,824	212,564
	<u>3,599,648</u>	<u>3,599,648</u>	<u>3,471,628</u>
<i>Total 2019</i>	<u>3,471,628</u>	<u>3,471,628</u>	

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	571,111	571,111	579,960
Depreciation	230,320	230,320	208,427
Recruitment and support	31,295	31,295	49,471
Maintenance of premises and equipment	39,154	39,154	45,566
Cleaning	16,545	16,545	12,044
Rates	41,377	41,377	39,958
Energy costs	66,094	66,094	70,687
Insurance	16,080	16,080	17,392
Security and transport	51,787	51,787	69,194
Catering	108,014	108,014	138,526
Other support costs	111,005	111,005	135,489
Governance costs	15,183	15,183	17,288
	<u>1,297,965</u>	<u>1,297,965</u>	<u>1,384,002</u>
<i>Total 2019</i>	<u>1,384,002</u>	<u>1,384,002</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	25,585	28,652
Depreciation of tangible fixed assets	270,965	245,208
Fees paid to auditors for:		
- audit	7,950	7,100
- other services	7,233	9,343
	<u>7,950</u>	<u>7,100</u>
	<u>7,233</u>	<u>9,343</u>

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,683,654	2,671,294
Social security costs	252,288	246,621
Pension costs	778,806	572,198
	<u>3,714,748</u>	<u>3,490,113</u>
Agency staff costs	48,540	41,673
	<u><u>3,763,288</u></u>	<u><u>3,531,786</u></u>

b. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2020 No.	2019 No.
Teachers	60	61
Administration and support	117	109
Management	5	4
	<u>182</u>	<u>174</u>
	<u><u>182</u></u>	<u><u>174</u></u>

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	-	1

d. 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £548,208 (2019 - £462,148). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

11. Trustees' remuneration and expenses

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.

The value of Trustees' remuneration and other benefits was as follows:

M Grady (Head Teacher and Trustee from 1 September 2019)

Remuneration £90,000 - £95,000

Employer's pension contributions £20,000 - £25,000

G Walters (Staff Trustee)

Remuneration £25,000 - £30,000 (2019: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2019: £5,000 - £10,000)

A D Alonzi (Staff Trustee)

Remuneration £50,000 - £55,000 (2019: £50,000 - £55,000)

Employer's pension contributions £10,000 - £15,000 (2019: £5,000 - £10,000)

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. 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 membership.

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	7,071,994	307,628	86,684	453,487	7,919,793
Additions	18,256	3,226	13,343	1,903	36,728
At 31 August 2020	<u>7,090,250</u>	<u>310,854</u>	<u>100,027</u>	<u>455,390</u>	<u>7,956,521</u>
Depreciation					
At 1 September 2019	1,168,748	110,568	85,653	378,468	1,743,437
Charge for the year	183,366	44,119	1,505	41,975	270,965
At 31 August 2020	<u>1,352,114</u>	<u>154,687</u>	<u>87,158</u>	<u>420,443</u>	<u>2,014,402</u>
Net book value					
At 31 August 2020	<u>5,738,136</u>	<u>156,167</u>	<u>12,869</u>	<u>34,947</u>	<u>5,942,119</u>
At 31 August 2019	<u>5,903,246</u>	<u>197,060</u>	<u>1,031</u>	<u>75,019</u>	<u>6,176,356</u>

See note 1.3 regarding assets transferred on conversion.

14. Stocks

	2020 £	2019 £
Classroom and other materials	<u>2,815</u>	<u>-</u>

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	4,429	3,563
Other debtors	50,927	46,031
Prepayments and accrued income	113,999	65,668
VAT recoverable	32,301	56,703
	<u>201,656</u>	<u>171,965</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	53,974	46,184
Other taxation and social security	60,017	63,504
Other creditors	64,592	10,954
Accruals and deferred income	98,602	100,343
	<u>277,185</u>	<u>220,985</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	75,860	568,020
Resources deferred during the year	74,742	75,860
Amounts released from previous periods	(64,900)	(568,020)
	<u>85,702</u>	<u>75,860</u>

The closing balance of deferred income relates to trip income, charitable donations and capital funding received in advance.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General funds	134,698	55,361	(23,547)	-	166,512
Restricted general funds					
General Annual Grant (GAG)	32,006	3,988,094	(3,848,322)	-	171,778
Pupil Premium	-	40,059	(40,059)	-	-
Other DfE Group grants	-	230,656	(230,656)	-	-
Other funding	89,067	333,438	(326,646)	-	95,859
Donations	-	2,965	(2,965)	-	-
Pension reserve	(1,698,000)	-	(178,000)	(147,000)	(2,023,000)
	<u>(1,576,927)</u>	<u>4,595,212</u>	<u>(4,626,648)</u>	<u>(147,000)</u>	<u>(1,755,363)</u>
Restricted fixed asset funds					
DfE Group capital grants	3,763,637	38,479	-	-	3,802,116
Transfer from Local Authority	2,200,709	-	(159,603)	-	2,041,106
Capital expenditure from GAG	203,065	-	(110,986)	-	92,079
Other donations	8,945	-	(376)	-	8,569
	<u>6,176,356</u>	<u>38,479</u>	<u>(270,965)</u>	<u>-</u>	<u>5,943,870</u>
Total Restricted funds	<u>4,599,429</u>	<u>4,633,691</u>	<u>(4,897,613)</u>	<u>(147,000)</u>	<u>4,188,507</u>
Total funds	<u>4,734,127</u>	<u>4,689,052</u>	<u>(4,921,160)</u>	<u>(147,000)</u>	<u>4,355,019</u>

The specific purposes for which the funds are to be applied are as follows:

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been fully spent at the year end.

The other DfE Group grants consists of Free School Meals supplementary grant, Teachers' Pension Grant and Teachers' Pay Grant. All funds have been fully spent at the year end.

Other funding represents funds received in respect of educational visits and events, trading activities,

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

catering operations and pledges received for 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 Group 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 plus £1,751 of unspent devolved formula capital funding.

The transfer from Local Authority relates to the value of assets transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

Other donations relates to amounts received from the Parent Teacher Association towards fixed assets. The closing balance relates to the net book value of assets concerned.

The capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The closing balance represents the net book value of the assets concerned.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General funds	82,558	83,864	(31,724)	-	-	134,698
Restricted general funds						
General Annual Grant (GAG)	79,932	3,782,556	(3,824,330)	(6,152)	-	32,006
Pupil Premium	-	37,813	(37,813)	-	-	-
Other DfE Group grants	-	39,313	(39,313)	-	-	-
Other funding	40,845	615,188	(566,966)	-	-	89,067
Pension reserve	(1,039,000)	-	(142,000)	-	(517,000)	(1,698,000)
	<u>(918,223)</u>	<u>4,474,870</u>	<u>(4,610,422)</u>	<u>(6,152)</u>	<u>(517,000)</u>	<u>(1,576,927)</u>
Restricted fixed asset funds						
DfE Group capital grants	3,214,499	542,986	-	6,152	-	3,763,637
Transfer from Local Authority	2,445,917	-	(245,208)	-	-	2,200,709
Capital expenditure from GAG	203,065	-	-	-	-	203,065
Other donations	6,545	2,400	-	-	-	8,945
	<u>5,870,026</u>	<u>545,386</u>	<u>(245,208)</u>	<u>6,152</u>	<u>-</u>	<u>6,176,356</u>
Total Restricted funds	<u>4,951,803</u>	<u>5,020,256</u>	<u>(4,855,630)</u>	<u>-</u>	<u>(517,000)</u>	<u>4,599,429</u>
Total funds	<u>5,034,361</u>	<u>5,104,120</u>	<u>(4,887,354)</u>	<u>-</u>	<u>(517,000)</u>	<u>4,734,127</u>

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,942,119	5,942,119
Current assets	166,512	544,822	1,751	713,085
Creditors due within one year	-	(277,185)	-	(277,185)
Provisions for liabilities and charges	-	(2,023,000)	-	(2,023,000)
Total	166,512	(1,755,363)	5,943,870	4,355,019

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,176,356	6,176,356
Current assets	134,698	342,058	-	476,756
Creditors due within one year	-	(220,985)	-	(220,985)
Provisions for liabilities and charges	-	(1,698,000)	-	(1,698,000)
Total	134,698	(1,576,927)	6,176,356	4,734,127

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(232,108)	216,766
Adjustments for:		
Depreciation	270,965	245,208
Capital grants from DfE and other capital income	(38,479)	(545,386)
Interest receivable	(959)	(1,758)
Defined benefit pension scheme cost less contributions payable	146,000	112,000
Defined benefit pension scheme finance cost	32,000	30,000
(Increase)/decrease in stocks	(2,815)	-
(Increase)/decrease in debtors	(29,691)	18,076
Increase/(decrease) in creditors	56,200	(838,838)
Loss of disposal of tangible fixed assets	-	1,380
Net cash provided by/(used in) operating activities	201,113	(762,552)

20. Cash flows from investing activities

	2020 £	2019 £
Interest receivable	959	1,758
Purchase of tangible fixed assets	(36,728)	(553,119)
Proceeds from the sale of tangible fixed assets	-	201
Capital grants from DfE and other capital income	38,479	545,386
Net cash provided by/(used in) investing activities	2,710	(5,774)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	508,614	304,791
Total cash and cash equivalents	508,614	304,791

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	304,791	203,823	508,614
	<u>304,791</u>	<u>203,823</u>	<u>508,614</u>

23. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>14,644</u>	<u>32,900</u>

24. 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. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 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

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £483,409 (2019 - £332,406).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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 2020 was £178,000 (2019 - £162,000), of which employer's contributions totalled £140,000 (2019 - £127,000) and employees' contributions totalled £38,000 (2019 - £35,000). The agreed contribution rates for future years are 25.4 - 26.4 per cent for employers and 5.5 - 12.5 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.

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.0	2.9
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50	50

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.4
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	22.5	22.4
Females	25.4	25

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate -0.5%	520	508
Discount rate +0.5%	41	76
Pension increase rate +0.5%	471	421

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	1,346,000	1,293,000
Corporate bonds	561,000	551,000
Property	292,000	255,000
Cash and other liquid assets	45,000	21,000
Total market value of assets	2,244,000	2,120,000

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

The actual return on scheme assets was £(25,000) (2019 - £120,000).

Expected returns on assets are calculated as follows:

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased).
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2019 for the year to 31 August 2020, or date of joining the fund if later).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(286,000)	(211,000)
Past service cost	-	(28,000)
Interest income	40,000	54,000
Interest cost	(72,000)	(84,000)
Total amount recognised in the Statement of Financial Activities	(318,000)	(269,000)

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	3,818,000	2,906,000
Current service cost	286,000	211,000
Interest cost	72,000	84,000
Employee contributions	38,000	35,000
Actuarial losses	82,000	583,000
Benefits paid	(29,000)	(29,000)
Past service costs	-	28,000
At 31 August	4,267,000	3,818,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	2,120,000	1,867,000
Interest income	40,000	54,000
Actuarial (losses)/gains	(65,000)	66,000
Employer contributions	140,000	127,000
Employee contributions	38,000	35,000
Benefits paid	(29,000)	(29,000)
At 31 August	2,244,000	2,120,000

25. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	19,342	21,101
Later than 1 year and not later than 5 years	7,126	29,636
	26,468	50,737

RUGBY HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. 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.

27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses as disclosed in note 11.

28. Post balance sheet events

At the balance sheet date the world was suffering a COVID-19 outbreak, and volatility in the economy as a result. The Trustees have considered the effect this may have on the Academy Trust post year end, and although unclear what impact this will have in the longer term they are informed by the Government's guidance that the issue will be time limited. This will continue to be a developing situation and as such a reasonable estimate of the financial effect of this outbreak on the Academy Trust cannot feasibly be made. The Trustees have assessed the situation and on the basis that core funding from both the Government and Local Authorities is expected to continue, they consider the Academy Trust to be a going concern.

29. Connected charities

The Parent Teacher Association raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the school. The charity's net assets/reserves at the 31 August 2020 were £4,975. The charity's gross income for the year to 31 August 2020 was £3,221, its expenditure was £1,318 and its surplus for the year was £1,903.