RUGBY HIGH SCHOOL ACADEMY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

Company Limited by Guarantee
Registration Number: 07521636
(England & Wales)

CONTENTS

	Page
Reference and Administrative Details	3
Trustees' Report	4
Governance Statement	11
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17
Independent Reporting Accountant's Report on Regularity	21
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	C J Marten P S Reaney Dr A Canale-Parola R Sanders E Wood
Trustees	P S Reaney, Chair of Trustees* A D Alonzi R Jones J Holmes S Venkatsubramian A Turrell Dr A Canale-Parola J Gilbert A Marley M J Moran* J King* S Gibrat* M Grady* ** Finance Committee*
Senior Management Team	M Grady, Headteacher L Wallace, Business Manager J Grimes, Deputy Headteacher Y Grogan, Senior Assistant Headteacher O Dermott-Bond, Assistant Headteacher S Quinn, Assistant Headteacher
Principal and Registered Office	Rugby High School Longrood Road Rugby Warwickshire CV22 7RE
Company name	Rugby High School Academy Trust
Company Registration Number	07521636
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2022 to 31 August 2023. 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 centered 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 595 (2022:594) in the Main School and 294 (2022: 283) in the Sixth Form in the school census in May 2023.

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. The School updated its Funding Agreement with the DFE and its articles of association, establishing a new structure of members and trustees in line with DFE model articles of association, April 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 3.

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.

Method of recruitment and appointment or election of Trustees

The Governing Body consists of 13 Trustees, with all posts currently occupied. There are five members appointed as trustees, six co-opted trustees and two parent trustees 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 and direct mail communication 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 Governance Professional at the school.

Policies adopted for the induction and training of Trustees

An induction pack is given to all newly appointed Trustees. The induction pack describes their role as a Trustee and gives some basic information about the school and the Governing Body (organisational structures, finance, personnel). The induction of Trustees is managed by the Chair of Trustees. Trustees 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 Trustees are able to access face to face training. Trustees are able to access safer recruitment and safeguarding training courses organised by the Warwickshire Safeguarding. The school also subscribes to online Trustee safeguarding training through its recruitment consultant – Hays PLC.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Organisational structure

As specified in the Articles of Association, the business of the Academy Trust is managed by the Trustees who exercise all the powers of the Academy Trust. In exercising their responsibilities, Trustees consider the advice given by the Headteacher and other Executive Officers. Trustees are responsible for setting policies, planning and budget setting and making senior staff appointments. The Trustees 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 Trustees 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 function was carried out by an external and independent audit company: Services 4 Schools of Wolverhampton.

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 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.

Trade Union Activities

There were no employees who were relevant union officials during the year.

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 2022 to 2023 (SORP 2019) 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.

Core Aim 1

To ensure that outstanding safeguarding and wellbeing for the RHS community acts as the foundation for the personal and academic success of every single student:

Through continuing to define and reinforce outstanding relationships and attitudes staff-students, students-students, staff-parents-students, clearly defining wellbeing for the RHS community; focussing on the very best practices for physical and mental health. Ensuring the continued success of a responsive, and further development of a preventative pastoral system across key stages that focuses on self-care and personal development, empowering individuals, and where needed ensuring that all members of the community have the right support at the right time and in the right place.

Resulting in resilient, confident, successful and courageous members of the RHS community.

Core Aim 2

To ensure every student experiences dynamic, adaptive and reflective learning and teaching, at all levels.

Through ensuring all staff have access to the right training opportunity at the right time, that develops and enhances their practice, efficiency and efficacy. Continued focus on curriculum specific pedagogy that develops and enhances curriculum specialists, assessment of work that is forensic, diagnostic and contributes to the very best outcomes for all. Development and sharing of professional dialogue sharing of professional practice and commitment to continued professional development; Developing independent, resilient and responsible students who understand and can discuss their own learning, progress and needs, who understand their potential and make the most of every opportunity. Maintaining and enhancing school-home relationships across the community: Parents – Students-Staff.

OBJECTIVES, STRATEGIES AND ACTIVITES

Resulting in highly skilled and well-informed teachers delivering learning experiences for all that are consistent, rigorous and inspiring that support all learners achieving the very best outcomes.

Core Aim 3

To ensure an ambitious, purposeful and cohesive curriculum that plans for and achieves the very best outcomes for all students

Through ambitious and devolved leadership at all levels, steeped in humanity, decency and compassion. Continued research, review and reflection to ensure we deliver the very best curriculum rich in knowledge and understanding. Continuing to plan and implement a curriculum that is tailored to the individual needs of highly able students, and that at every stage ensures all students can perform at an outstanding level, continuously improving on their previous best. An empowering curriculum that reflects and amplifies the diverse voices of the RHS community.

Resulting in outstanding progress through the curriculum at all key stages and for every single student, ensuring that all students move on from RHS, resilient, healthy and successful.

Strategies employed to achieve these aims included:

- Review of Ethos, culture attitudes and behaviours, including a review of pastoral provision, behaviour and attitudes for learning across the school.
- 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.
- Enhance the role and impact of the wellbeing group for staff and the wellbeing prefects, through further outreach to the RHS community, and worklist of tasks and events that regularly update students, staff and parents on good practice for wellbeing.
- Review of Timetabling process to support the most effective and efficient delivery of the curriculum for successful teaching and outstanding outcomes.
- Pastoral Team Review/ restructure.

The activities that resulted from the strategies indicated above included:

- Provision of a broad and balanced curriculum to students in Years 7-13.
- 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.
- All students now part of the "reporting process" their own reflections on their attainment and progress nor forming an official part of the reporting document.
- 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.
- The Head Teacher serves as a member of AQA's Appeal Hearings Panel, and is an elected member of ASCL's Council, and is about to become a fully trained OFSTED inspector,
- Pastoral team was reviewed and restructured, with new structure planned to be fully in place by January 2024.
- Two members of staff undertaking the NPQH.
  Two members of staff completing NPQs in Teaching and Learning.

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 quantitively 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 This is the first set of full examinations and nationally examined results since 2019, and so any comparison should be undertaken with extreme caution. OFQUAL have suggested that this year (2023) results will return to 2019 grade distribution, reducing grade distribution back to that of 2019, after the two years of higher grades achieved under Centre-Assessed Grades in 2020 and Teacher Assessed Grades in 2021, and adapted examinations in 2022. For GCSE, a key performance indicator will be the progress 8 score, and for A-Level, is the overall attainment grade, as well as the successful uptake of university places and destinations, post-18.

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, for A-Level as the DFE is not publishing post 16 VA data, only attainment data this year. The total number of students on roll for the year ended 31 August 2023 was 889 (2022: 877). This is an increase of 12 (2022: -26) students on the same period in 2022. The main school remains full to capacity and continues to be heavily oversubscribed for entry into Year 7. Recruitment into the Sixth Form in September 2022 has increased against 2021, 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. Currently in Rugby, there are more Sixth Form places, than there are students to fill them. 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.

Student attainment was outstanding. In Year 13, there was a good level of consistency in results. The A*-B pass rate was 77.8% (71.8% 2022). The A* C pass rate was 89.7% (86.6%, 2022). Over 50% of Year 13 students took up an offer of a place at a Russell Group University. 4 students accepted places at Oxford or Cambridge University.

Over 95% of students were placed on their first or second university choice by the start of September, an incredible achievement in such a disrupted year, when universities were offering less leniency around students who may not have exactly met requirements.

In Year 11 the average grade in 2023 was an 8C, (2023 – 8C, 2019, 7A) the highest average grade since reformed qualifications began. The published Progress 8 score for the school was 0.79 – well above average, and the highest in Rugby by at least 0.2. (2022, 0.61 (well above average) (, 0.61 in 2019 and 0.7 in 2018 – so pleasingly, despite national dip in progress, the school has outperformed its 2019 progress data. It suggests RHS maintains its place well above the national average, and in the face of an OFSTED judgement of Good, rather than Outstanding, is incredibly reassuraing, as rather than a dip in standards or outcomes at A-Level and GCSE, the school has significantly improved.

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 Foyles (Foyles Young Poet Competition), and reaching the finals of the Warwickshire Poet Laureate competition.

Equally Students into STEM continues to be a great success, with Students winning locally and nationally, with the Industrial Cadets Gold Scheme.

We were also invited to attend a reception at the Globe Theatre for the Poetry by Heart winner in 2023.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Going concern

The ability of the Trust to continue as a going concern is under constant review as the Trust forecast's the year end results on a termly basis and produces an annual budget and three year forecast. The latest three year forecast which was produced in Aug 2023 shows the school predicting reserves of £676k at 31 August 2024.

The budget was prepared with the information known at the time and any major risks identified. The major risk identified was the cost of a "cost of living" increase in Teachers pay and this was identified on the final authorised budget and the financial impact calculated and reported.

When reviewing going concern we look at the projected outturn in future years, the level of reserves the Trust holds and the cashflow position. The current reserves position and the predicted cashflow means that I am confident that the Trust will continue to operate as a going concern for the foreseeable future.

Financial review

The Academy had a net decrease in funds for the year ended 31 August 2023 of £91,000 (2022: £49,000 increase) including fixed assets movements but excluding pension reserve movements. As at 31 August 2023 the Academy held £276,000 (2022: £195,000) of unrestricted reserves plus £529,000 (2022: £557,000) of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £805,000 (2022: £752,000).

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £Nil at 31 August 2022 (2022: £350,000) and a fixed asset reserve of £7,775,000 (2022: £7,919,000) being the book value of past purchases plus unspent capital grants.

Despite the current economic climate caused mostly by the war in Ukraine and the associated European wide gas/oil shortage, 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 energy crisis.

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.

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 including unspent GAG as at 31 August 2023 were £805,000 (2022: £752,000), being within the target level set by the Trustees being between £445k and £889k. The excess will be used to address overdue maintenance on the site and assist the leadership team with their plans in 2023/24.

Cash at bank at 31 August 2023 was £181,000 (2022: £201,000) higher than total available reserves due principally to PAYE/NI and pension costs for August 2023 being paid over in September 2023 and some income received in advance of 2023/24.

At 31 August 2023 the Academy's fixed asset reserve of £7,775,000 (2022: £7,919,000) represented £7,772,000 (2022: £7,919,000) of funds which could only be realised if the assets were sold, plus £3,000 (2022: £Nil) of unspent devolved formula capital.

There were no reserves in deficit at the year end.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Investment policy

The school holds no investments other than its cash balance at the Yorkshire and Clydesdale Bank (Virgin Money). Because of the tight operating margin, Trustees 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 increasing support staff and Teachers pay and pensions. Teachers' pension costs increased significantly in the last few years. The government has part funded the increase for the school with some uncertainty that increases 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 full operational needs of the Academy.

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 provided by the ESFA. 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.

Fundraising

Fundraising in 2022/23 began to take off, following the Coronavirus Pandemic. The funds raised in the year 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.

Fundraising

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

The Trustees remain open to forming a MAT, although their original partner is unable to proceed, and further recent conversations resulted in no further progress. Identifying other suitable partners is high on the agenda for the school's leadership and the 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.

Funds held as custodian on behalf of others

The school holds no funds on behalf of others as a Custodian Trustee.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

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.

Auditors

The auditors, UHY Hacker Young (Birmingham) 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 29 November 2023 and signed on its behalf by:

P S Reaney
Chair of Trustees

M Grady
Accounting Officer

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

Trustees	Meetings attended	Out of a Possible
P S Reaney, Chair of Trustees	6	6
A D Alonzi	6	6
A Turrell	2	2
J Holmes	1	1
S Venkat	1	1
Dr A Canale-Parola	4	6
J Gilbert	2	6
A Marley	4	6
M J Moran	2	6
J King	5	6
S Gibrat	2	6
M Grady	6	6
C D Goodier	1	1

Conflicts of Interest

The Academy maintains a detailed Trustees register of business interests which is refreshed annually. When appointing new suppliers the Academy's finance manual requires its Finance Manager to verify the supplier name to the register of business interests – if a match is found appropriate action will be taken to seek an alternative supplier or comply with the ESFA requirements.

Governance Reviews

The full Board meets four times per year with the Academy's financial status as a recurring agenda item. The board have appointed Finance, Personnel and Quality 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. In addition, the school received its first OFSTED inspection since November 2008 in November 2022. The Trustees received the full report. 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 completed a formal review of Governance that commenced in 2019/20 which included an 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. As a combined result of the Covid-19 Pandemic and the recent remodelling of the ESFA model Articles the Trustees deferred their original plan for finalising their new Articles which were ratified in the Summer term 2022.

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 Academy was able to accommodate and afford the necessary staffing and resources to ensure that all learners were able to progress and flourish without financial restriction.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a Possible
P S Reaney	3	4
M J Moran	3	4
S Gibrat	2	4
J King	4	4
M Grady	4	4

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:

Trustees	Meetings attended	Out of a Possible
A Marley	3	4
P S Reaney	4	4
J Gilbert	4	4
M Grady	4	4

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.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a Possible
A D Alonzi	4	4
A Turrell	2	2
Dr A Canale-Pa	4	4
M Grady	4	4
P S Reaney	4	4

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, as well as estates safety and management, 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 specific funding intended for supporting students through the pandemic has been effectively deployed
- ensuring that tenders for all significant projects were cost effective.
- streamlining and adapting the delivery of the curriculum during the pandemic to provide a balanced education for the students while ensuring they are challenged and well prepared for life after school.

Review of Value for Money (cont'd)

- The Accounting Officer, Trustees 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.
- Ensuring there is a robust Asset Management Plan which is reviewed and prioritised regularly. This needs to ensure the Trust is able to deliver the educational objectives and to ensure best value and a safe 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 ongoing 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 ended 31 August 2023 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 period 1 September 2022 to 31 August 2023 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
- identification and management of risks

Trustees agreed to request that two areas identified in the Finance Risk register were to be reviewed through Internal Scrutiny via Security 4 Schools, during 2022/23. The areas chose were:

- Trustees Responsibilities for Safeguarding (Completed July 23)
- Security Review to investigate the IT systems protected from sources with malicious intent. (Completed August 23)

Review of Effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the financial and premises committee discharging their financial decisions to help the board of trustees consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;

Review of Effectiveness (cont'd)

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 29 November 2023 and signed on its behalf by:

.....
P S Reaney
Chair of Trustees

.....
M Grady
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non- compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

I confirm that no instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. 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
29 November 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the director 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 Annual Accounts Direction issued 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 in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy 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 the 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 on 29 November 2023 and signed on its behalf by:

P S Reaney

P S Reaney
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUGBY HIGH SCHOOL ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Rugby High School Academy Trust (the charitable company) for the year ended 31 August 2023 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 Rugby High School Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including 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 2022 to 2023

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Rugby High School Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. 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.

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 course of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUGBY HIGH SCHOOL ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the Strategic Report, and the Trustees Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing Rugby High School 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of Rugby High School Academy Trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by Rugby High School Academy Trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2022 to 2023. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and Rugby High School Academy Trust's net income for the year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUGBY HIGH SCHOOL ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Auditor's responsibilities for the audit of the financial statements (cont'd)

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUGBY HIGH SCHOOL ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Use of our report

This report is made solely to the Rugby High School 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 Rugby High School Academy Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Rugby High School Academy Trust's and the Rugby High School Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

29 November 2023

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO RUGBY HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 6 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Rugby High School Academy Trust funding agreement with the Secretary of State for Education dated 24 March 2011, and the Academy Trust Handbook extant from 1 September 2022 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 2021 to 2022. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO RUGBY HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

Approach (con't)

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the Academy Trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the Academy Trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy Trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young (Birmingham) LLP

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Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

29 November 2023

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023
(Including Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2023 £'000	Total 2022 £'000
Income from:						
Donations and capital grants	3	4		72	76	27
Charitable activities:						
- Funding for the Academy Trust's educational operations	4	-	5,370	-	5,370	5,169
Other trading activities	5	44	-	-	44	27
Investment income	6	44	-	-	44	3
Total		92	5,370	72	5,534	5,226
Expenditure on:						
Raising funds	7	11	-	-	11	7
Charitable activities:						
- Academy Trust's educational operations	7 & 8	-	5,510	216	5,726	5,454
Total	7	11	5,510	216	5,737	5,461
Net income/(expenditure)		81	(140)	(144)	(203)	(235)
Transfers between funds	15	-	-	-	-	-
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	26	-	462	-	462	2,474
Revaluation of fixed assets	12	-	-	-	-	2,390
Net movement in funds		81	322	(144)	259	4,629
Reconciliation of funds						
Total funds brought forward	15	195	207	7,919	8,321	3,692
Total funds carried forward	15	276	529	7,775	8,580	8,321

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	12	7,772	7,919
		7,772	7,919
Current assets			
Debtors	13	148	88
Cash at bank and in hand		986	953
		1,134	1,041
Current liabilities			
Creditors: Amounts falling due within one year	14	(326)	(289)
		(326)	(289)
Net current assets		808	752
Total assets less current liabilities		8,580	8,671
Defined benefit pension scheme liability	26	-	(350)
Total Net Assets		8,580	8,321
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	15	7,775	7,919
- Restricted income fund	15	529	557
- Pension reserve	26	-	(350)
Total restricted funds		8,304	8,126
Unrestricted income fund	15	276	195
Total unrestricted funds		276	195
Total Funds		8,580	8,321

The financial statements on pages 23 to 44 were approved by the trustees and authorised for issue on 29 November 2023 and signed on their behalf by:

P S Reaney

.....

P S Reaney
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(14)	303
Cash flows from investing activities	20	47	(6)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		33	297
Cash and cash equivalents at 1 September	22 & 23	953	656
Cash and cash equivalents at 31 August	22 & 23	986	953

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with 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 2022 to 2023 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.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

- **Sponsorship income**

  Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

  Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'.

- **Donated goods, facilities and services (cont'd)**
  Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. 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 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.

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.

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 Policy

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% to 20% on cost
Furniture and fixtures	- 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.

Debtors

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

Stock

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

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.

Current 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. Current 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.

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.

Investments

Not applicable unless trust has a subsidiary.

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 14. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 15. 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

Operating leases

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

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.

Pensions Benefits

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.

Pensions Benefits (cont'd)

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 a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a multi funded 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 net income/expenditure are the current service costs and the costs of the 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.

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 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 Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Critical accounting estimates and assumptions

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed overleaf:

Critical areas of judgement

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension lability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Deprecation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In accordance with ESFA guidelines the trust is permitted to use up to 5% of the bursary funds allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023 (See note 15).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Donations	4	-	4	6
Capital grants	-	65	65	21
Fixed asset donations	-	7	7	-
	4	72	76	27

The income from donations and capital grants was £76,000 (2022 : £27,000) of which £4,000 (2022 : £6,000) was unrestricted, £Nil (2022: £Nil) restricted and £72,000 (2022: £21,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	3,293	3,293	3,201
General annual grant (GAG) 16-19 (note 2)	-	1,381	1,381	1,368
Rates relief	-	26	26	26
Other DfE/ESFA Grants				
Pupil premium	-	46	46	39
Teachers pension grant	-	56	56	61
Teachers pay grant	-	-	-	22
Mental health	-	-	-	1
Early careers	-	8	8	2
Supplementary grant	-	106	106	44
Mainstream schools grant	-	49	49	-
	-	4,965	4,965	4,764
Other Government grants				
Special educational needs	-	-	-	1
	-	-	-	1
COVID-19 DfE/ESFA additional funding				
Recovery premium	-	12	12	8
National tutoring programme	-	7	7	6
Other DfE/ESFA COVID-19 funding	-	-	-	20
	-	19	19	34
Other income from the academy trust's educational operations				
Catering income	-	260	260	213
Transport income	-	126	126	119
School visits income	-	-	-	38
	-	386	386	370
	-	5,370	5,370	5,169

The income from the Academy Trusts's educational operations was £5,370,000 (2022 : £5,169,000) of which £Nil (2022 : £Nil) was unrestricted and £5,370,000 (2022 : £5,169,000) was restricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Hire of facilities	22	-	22	21
Other income	22	-	22	6
	44	-	44	27

The income from other trading activities was £44,000 (2022: £27,000) of which £44,000 (2022:£27,000) was unrestricted and £Nil (2022: £Nil) was restricted.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Bank interest received	44	-	44	3
	44	-	44	3

The income from the Academy Trusts's investment income was unrestricted.

7 EXPENDITURE

	Non Pay Expenditure			Total	Total
	Staff Costs £'000	Premises £'000	Other Costs £'000	2023 £'000	2022 £'000
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	11	11	7
Academy's educational operations					
- Direct costs	3,597	-	180	3,777	3,566
- Allocated support costs	862	474	613	1,949	1,888
	4,459	474	793	5,726	5,454
	4,459	474	804	5,737	5,461

The expenditure was £5,737,000 (2022: £5,461,000) of which £11,000 (2022: £7,000) unrestricted, £5,510,000 (2022 : £5,226,000) restricted and £216,000 (2022: £228,000) restricted fixed assets.

Net (income)/expenditure for the year includes:	Total 2023 £'000	Total 2022 £'000
Operating lease rentals	14	22
Bad debts	-	1
Surplus on revaluation of land and buildings (note 13)	-	(2,390)
Depreciation	216	219
Fees payable to auditor for:		
- audit	8	8
- other services	3	2

Included within expenditure is £Nil (2022 : £1,354) of unrecoverable debts

8 CHARITABLE ACTIVITIES

	Total 2023 £'000	Total 2022 £'000
Direct costs - educational operations	3,777	3,566
Support costs - educational operations	1,949	1,888
	5,726	5,454
Analysis of Support Costs		
Support staff costs	862	971
Depreciation	216	228
Technology costs	188	129
Premises costs	258	198
Other support costs	334	280
Governance costs	91	82
	1,949	1,888

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

9 STAFF COSTS

a Staff costs during the year were:	Total 2023 £'000	Total 2022 £'000
Wages and salaries	3,234	3,014
Social security costs	314	291
Pension costs	862	973
	4,410	4,278
Agency staff costs	49	23
Staff restructuring costs	-	-
	4,459	4,301
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	-	-

b Staff severance contractual and non contractual payments

The academy trust paid £Nil (2021 : £Nil) severance payments in the year, disclosed in the following bands:

	2023	2022
0 - £25,000	-	-
£25,001 - £50,000	-	-
£50,001 - £100,000	-	-
£100,001 - £150,000	-	-
£150,000+	-	-

c Special staff severance non contractual payments

Included in staff restructuring costs are special severance payments totalling £Nil (2022 : £Nil). Individually, the payments were £Nil.

d Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2023 expressed as whole persons was as follows:

Charitable Activities	2023 No	2022 No
Teachers	56	56
Administration and support - including Teaching Assistants	98	91
Management	6	6
	160	153

e Higher paid staff

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

	2023 No	2022 No
£60,001 - £70,000	-	2
£70,001 - £80,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	3	4

f Key management personnel

The key management of the Academy Trust comprise the trustees and the senior management team as listed on page 3. 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 £589,400 (2022: £502,006).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

10 RELATED PARTY TRANSACTIONS - 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:

	2023	2022
M Grady (Head Teacher and Trustee)		
Remuneration	(£100,000 - £105,000)	(£95,000 - £100,000)
Employer's pension contributions	(£20,000 - £25,000)	(£20,000 - £25,000)
A D Alonzi (Staff Trustee)		
Remuneration	(£55,000 - £60,000)	(£55,000 - £60,000)
Employer's pension contributions	(£10,000 - £15,000)	(£10,000 - £15,000)

During the year, no Trustees received any remuneration or other benefits in relation for their role as a trustee (2022: £Nil).

11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of the ESFA's RPA scheme.

12 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Plant & Machinery £'000	Total £'000
Cost					
At 1 September 2022	8,120	353	470	102	9,045
Additions	37	15	6	11	69
At 31 August 2023	8,157	368	476	113	9,114
Depreciation					
At 1 September 2022	326	250	460	90	1,126
Charged in year	157	49	8	2	216
At 31 August 2023	483	299	468	92	1,342
Net book value					
At 31 August 2023	7,674	69	8	21	7,772
At 31 August 2022	7,794	103	10	12	7,919

On the 31 August 2020 the land and buildings of Rugby High School were revalued from £5,730,000 to £8,120,000 using depreciated replacement cost, in accordance with the requirements of FRS102, which resulted in a gain of £2,390,000.

13 DEBTORS

	2023 £'000	2022 £'000
Trade debtors	4	2
Other debtors	7	6
VAT recoverable	38	26
Prepayments and accrued income	99	54
	148	88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	99	74
Taxation and social security	76	74
Other creditors	76	90
Accruals and deferred income	75	51
	326	289

Deferred income

	2023 £'000	2022 £'000
Deferred income at 1 September 2022	5	18
Resources deferred in the year	25	5
Amounts released from previous years	(5)	(18)
Deferred income at 31 August 2023	25	5

At the balance sheet date the academy was holding funds received in advance for 2023/24 for additional educational classes £24,000 (2022: £2,700), outdoor space funds £1,000 (2022: £1,011) and parental contributions £Nil (2022: £1,373)

15 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General annual grant (note i)	557	3,293	(3,321)	-	529
General annual grant 16-19 (note i)	-	1,381	(1,381)	-	-
Pupil premium grant (note ii)	-	46	(46)	-	-
Teachers pension (note iii)	-	56	(56)	-	-
Teachers pay (note iv)	-	-	-	-	-
School fund (note v)	-	-	-	-	-
Rates relief (note vi)	-	26	(26)	-	-
Mainstream Schools Additional Grant (note vii)	-	49	(49)	-	-
Supplementary Grant (note vii)	-	106	(106)	-	-
Tutoring Programme (note vii)	-	7	(7)	-	-
Other COVID-19 funding	-	12	(12)	-	-
Other DfE/ESFA	-	8	(8)	-	-
Other LA Grants	-	-	-	-	-
Other restricted	-	386	(386)	-	-
	557	5,370	(5,398)	-	529
Restricted fixed asset funds					
Fixed assets donation (note viii)	4,251	7	(76)	-	4,182
Capital donations	5	-	(3)	-	2
Capital expenditure from GAG (note ix)	68	-	(5)	-	63
DFE/ESFA capital grants (note x)	3,595	65	(132)	-	3,528
	7,919	72	(216)	-	7,775
Restricted pension scheme liability					
Pension reserve (note xi)	(350)	-	(112)	462	-
	(350)	-	(112)	462	-
Total restricted funds	8,126	5,442	(5,726)	462	8,304
Unrestricted funds					
Unrestricted funds	195	92	(11)	-	276
Total unrestricted funds	195	92	(11)	-	276
Total funds	8,321	5,534	(5,737)	462	8,580

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

15 FUNDS (cont'd)

Notes

i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2023. (see note 2)

ii) Pupil Premium grant has been used to support children from low income families placed at the School.

iii) Teachers pension grant has been used to pay teachers pensions

iv) Teachers pay grant has been used to pay the increase to teachers pay

v) School fund comprises school visits income and donations.

vi) Rates relief grant has been used to cover the cost of non domestic rates.

vii) Other DfE/ESFA income used for the benefit of the academies education objectives.

viii) Land and buildings were gifted to the Academy Trust upon conversion from Rugby Borough Council.

ix) The gross transfer from the restricted general fund to the restricted fixed asset fund of £Nil (2022: £9,000) represents the total capital expenditure from GAG during the year.

x) Restricted fixed assets were funded by government grants.

xi) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).

	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2022
Restricted general funds	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General annual grant (note i)	91	3,188	(2,908)	186	557
General annual grant 16-19 (note i)	-	1,381	(1,381)	-	-
Pupil premium grant (note ii)	19	39	(58)	-	-
Teachers pension (note iii)	-	61	(61)	-	-
Teachers pay (note iv)	-	22	(22)	-	-
School fund (note v)	201	38	(44)	(195)	-
Rates relief (note vi)	-	26	(26)	-	-
Other COVID-19 funding	28	20	(48)	-	-
Other DfE/ESFA	-	61	(61)	-	-
Other LA Grants	-	1	(1)	-	-
Other restricted	-	332	(332)	-	-
	339	5,169	(4,942)	(9)	557
Restricted fixed asset funds					
Fixed assets donation (note vii)	1,945	-	(84)	2,390	4,251
Capital donations	9	-	(4)	-	5
Capital expenditure from GAG (note viii)	74	-	(15)	9	68
DFE/ESFA capital grants (note ix)	3,699	21	(125)	-	3,595
	5,727	21	(228)	2,399	7,919
Restricted pension scheme liability					
Pension reserve (note x)	(2,540)	-	(284)	2,474	(350)
	(2,540)	-	(284)	2,474	(350)
Total restricted funds	3,526	5,190	(5,454)	4,864	8,126
Unrestricted funds					
Unrestricted funds	166	36	(7)	-	195
Total unrestricted funds	166	36	(7)	-	195
Total funds	3,692	5,226	(5,461)	4,864	8,321

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	7,772	7,772
Current assets	276	-	855	3	1,134
Current liabilities	-	-	(326)	-	(326)
Pension scheme liability	-	-	-	-	-
	276	-	529	7,775	8,580

Comparative information in respect of the previous period is as follows

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	7,919	7,919
Current assets	195	-	846	-	1,041
Current liabilities	-	-	(289)	-	(289)
Pension scheme liability	-	(350)	-	-	(350)
	195	(350)	557	7,919	8,321

17 CAPITAL COMMITMENTS

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	-	-
Authorised by trustees, but not yet contracted	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

18 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases which expire:

	2023 Other £'000	2022 Other £'000
Operating leases which expire:		
- Within one year	15	13
- Within two to five years	35	38
	50	51

19 RECONCILIATION OF NET DEFICIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net deficit for the reporting period (as per the statement of financial activities)	(203)	(235)
Adjusted for:		
Depreciation (note 12)	216	228
Capital grants from DfE and other capital income	(72)	(21)
Interest receivable	(44)	(3)
Defined benefit pension scheme cost less contributions payable (note 26)	96	240
Defined benefit pension scheme finance cost (note 26)	16	44
(Increase)/decrease in debtors	(60)	2
(Decrease)increase in creditors	37	48
Net cash (used in)/provided by operating activities	(14)	303

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £'000	2022 £'000
Interest received	44	3
Purchase of tangible fixed assets	(69)	(30)
Capital grants from DfE/ESFA	72	21
Receipts from sale of tangible fixed assets	-	-
Net cash provided by/(used in) investing activities	47	(6)

21 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by financing activities	-	-

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2023 £'000	At 31 Aug 2022 £'000
Cash in hand and at bank	986	953
Total cash and cash equivalents	986	953

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £'000	Cash Flows £'000	At 31 Aug 2023 £'000
Cash at bank	953	33	986
Overdraft	-	-	-
	953	33	986
Loans within one year	-	-	-
Loans within more than one year	-	-	-
	953	33	986

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

24 CONTINGENT LIABILITIES

Disposal of government funded assets

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to :

a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and

b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

Harpur v Brazel

As a result of the Harpur Trust v Brazel (2011) case, the Supreme Court has ruled that employees who only work for part of the year are entitled to the same holiday pay of 5.6 weeks a year as employees who work full time. This will potentially impact any employer with term time employees, zero hours employees or other working arrangements which involve employees being employed for a full year, but working only for part of that year.

The government hopes to amend legislation to allow holiday entitlement to be pro-rated for part-year and irregular hours workers, so that annual leave is directly proportionate to the time they spend working. Pending any law change being approved by parliament, there remains a potential obligation for the Trust of uncertain timing, value and likelihood.

25 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) and Local Government Pension Scheme (LGPS).The total pension cost to the Academy during the year ended 31 August 2023 was £862,000 (2022: £973,000) of which £556,000 (2022: £517,000) relates to the TPS and £306,000 (2022: £456,000) relates to the LGPS.The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £Nil (2022: £Nil) were payable to the schemes at 31 August 2023 and are included within other creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for 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.

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 lev
- 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 2024.

The employer's costs paid to TPS in the period amounted to £556,000 (2022: £517,000).

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2023 was £243,000 (2022: £211,000) of which employers contributions totalled £194,000 (2022: £172,000) and employees contributions totalled £49,000 (2022: £39,000). The agreed contributions for future years are 25.4% to 26.4% (2022 : 25.4% to 26.4%) for employers and 5.5% to 12.5% (2022 : 5.5% to 12.5%) 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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2023 % per annum	At 31 August 2022 % per annum
Discount rate	5.2	4.3
Salary increases	4.0	3.9
Pension increase	3.0	3.1

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2023		At 31 August 2022	
	Approx % Increase to	Approx £'000	Approx % Increase to	Approx £'000
Discount rate reduced by 0.1% per annum	2%	66	2%	67
Assumed pension increased by 0.1% per annum	2%	64	2%	67
Salary growth increased by 0.1% per annum	0%	4	0%	-

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

	2023 years	2022 years
Longevity at age 65 retiring today		
- Men	22.5	21.6
- Women	24.2	24.1
Longevity at age 65 retiring in 20 years		
- Men	21.6	22.7
- Women	25.8	25.9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)
The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equity instruments	1,839	1,802
Debt instruments	793	811
Property	507	330
Cash	31	60
Total market value of assets	3,170	3,003
Present value of scheme liabilities		
- Funded	(3,170)	(3,003)
- Unfunded	-	(350)
Total liabilities	(3,170)	(3,353)
Deficit in the scheme	-	(350)

The actual return on the scheme assets in the year was a deficit of £29,000 (2022: £129,000 deficit).

Amounts recognised in the Statement of Financial Activities

	2023 £'000	2022 £'000
Current service cost	290	412
Interest income	(131)	(50)
Interest cost	147	94
Total amount recognised in the SOFA	306	456

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2023 £'000	2022 £'000
Movement in deficit during the period		
Deficit in the scheme at 1 September 2022	350	2,540
Movement in year:		
- Employer service cost (net of employee contributions)	290	412
- Employer contributions	(194)	(172)
- Expected return on scheme assets	(131)	(50)
- Interest cost	147	94
- Actuarial gains	(462)	(2,474)
Deficit in the scheme at 31 August 2023	-	350

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

	2023 £'000	2022 £'000
Scheme liabilities at 1 September 2022	3,353	5,514
Current service cost	290	412
Past service cost	-	-
Interest cost	147	94
Contributions by scheme participants	49	39
Benefits paid	(70)	(53)
Actuarial gains	(599)	(2,653)
Scheme liabilities at 31 August 2023	3,170	3,353

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

	2023 £'000	2022 £'000
Fair value of scheme assets at 1 September 2022	3,003	2,974
Expected return on scheme assets	131	50
Actuarial losses	(137)	(179)
Contributions by employer	194	172
Benefits paid	(70)	(53)
Contributions by scheme participants	49	39
Fair value of scheme assets at 31 August 2023	3,170	3,003

The estimated value of employers contributions for the year ended 31 August 2024 is £180,000 (2023: £172,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2020 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. During the year ended 31 August 2023 there were no such transactions.

In entering into the transactions the trust has complied with the requirements of the Academy Trust Handbook 2022.

No related party transactions took place in the period of account, other than a certain trustee's remuneration and expenses already disclosed in note 11.

28 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 2023 were £7,287 (2022: £4,711). The charity's gross income for the year to 31 August 2023 was £7,013 (2022: £5,390), its expenditure was £6,044 (2022: £5,546) and its surplus for the year was £969 (2022: £157 deficit).

29 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £15,521 (2022: £13,665) and disbursed £11,095 (2022: £5,612) from the fund. An amount of £25,638 (2022: £Nil) was repaid to the ESFA in relation to undistibuted funds. An amount of £12,480 (2022: £33,691) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

30 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.