

**REPORT OF THE GOVERNORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2016  
FOR  
RUGBY HIGH SCHOOL ACADEMY TRUST**

Atkinson Finch & Co  
Chartered Accountants  
Central Chambers  
45-47 Albert Street  
Rugby  
Warwickshire  
CV21 2SG

**RUGBY HIGH SCHOOL ACADEMY TRUST**

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FOR THE YEAR ENDED 31ST AUGUST 2016**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**MEMBERS**

Adrian Canale-Parola  
Peter Reaney  
Jan Halstead  
Charlotte Marten  
David Robson  
Sandy Marley  
Yuhong Meads

**GOVERNORS (TRUSTEES)**

**Community Governors**

Jan Halstead # (Vice Chair) (resigned 21st July 2016)  
Shaun Brady \*~ (Responsible Officer)  
Shakeel Saghir +  
Vacancy

**Local Authority Governor**

Peter Reaney \*+ # (Chair)

**Membership Governor**

Lee Williams (appointed 1st December 2015)

**Parent Governors**

Olcay Nix + (resigned 1st December 2015)  
Suteesh Chumber \* (resigned 7th April 2016)  
Catherine Dickens #  
Janet Gilbert +  
Charles Hull #  
Sara Anstee +  
Michael Moran \* (appointed 1st December 2015)  
Rachel Street + (appointed 12th February 2016)  
Vacancy

**Partnership Governors**

Adrian Canale-Parola # (Vice Chair) (Chair of the Quality Assurance and Curriculum Committee)  
Alexandra Marley + (Chair of the Personnel Committee)  
David Robson \*~ (Chair of the Finance and Premises Committee)

**Staff Governors**

Karen Allton-Evans #  
Anthony Alonzi #  
Charlotte Marten \*+ # (Headteacher and Accounting Officer)  
Gideon Walters # (appointed 25th January 2016)

\* members of the Finance and Premises Committee  
+ members of the Personnel Committee  
# members of the Quality Assurance and Curriculum Committee  
~ members of the Audit Committee

**Company Secretary and Clerk to the Governors**

Allan Kerr



## **RUGBY HIGH SCHOOL ACADEMY TRUST**

### **REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST AUGUST 2016**

#### **Senior Leadership Team**

Charlotte Marten (Headteacher)  
Mark Grady (Deputy Head)  
Yvette Grogan (Assistant Headteacher)  
Allan Kerr (School Business Manager)

The day to day running of the charitable company is delegated by the charitable company's trustees to the Headteacher and the other members of the Senior Leadership Team.

#### **COMPANY REGISTRATION NUMBER**

07521636

#### **PRINCIPAL AND REGISTERED OFFICE**

Rugby High School  
Longrood Road  
Rugby  
Warwickshire  
CV22 7RE

#### **BANKERS**

Yorkshire Bank  
2nd Floor  
35 Regent Street  
Piccadilly Circus  
London  
SW1Y 4ND

#### **SOLICITORS**

Warwickshire County Council Legal Services Department  
Shire Hall  
Warwick  
CV34 4SA

Brethertons  
Montague House  
2 Clifton Road  
Rugby  
CV21 3PX

#### **SENIOR STATUTORY AUDITOR**

Stuart Bolton FCA

#### **INDEPENDENT AUDITORS**

Atkinson Finch & Co  
Central Chambers  
45-47 Albert Street  
Rugby  
Warwickshire  
CV21 2SG

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31ST AUGUST 2016**

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31st August 2016. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

**OBJECTIVES AND ACTIVITIES**

**Objectives and activities**

The school's main objectives during the year 1st September 2015 to 31st August 2016 were to raise standards of learning by:

- \* ensuring that staff use data to inform their teaching so that all students, including students with a special educational need, are appropriately challenged and supported resulting in at least good progress over time.
- \* ensuring that all staff develop an aspect of their practice using Frog as a tool to promote effective learning.
- \* ensuring that assessment throughout departments is regular and informative, helping students to close the gaps in their knowledge and understanding and to develop their skills and ensuring that there is evidence of students acting on their teachers' advice.
- \* ensuring that new GCSE and A level courses are successfully chosen, planned for and delivered.

Strategies employed to achieve these aims include:

- \* Developing assessment and monitoring systems within the school to identify earlier students who are at risk of falling behind and allow for more effective, planned intervention to challenge underachievement.
- \* Ensuring that all colleagues develop their understanding of how our VLE (Frog) can be used to enhance learning.
- \* A series of learning walks and book trawls with a focus on assessment and closing the gaps in students' knowledge and understanding to identify, share and celebrate good practice.
- \* A focus on continuous professional development for all staff; with an especial focus on preparation for the delivery of new specifications.
- \* A diverse provision including many opportunities for students to learn outside the classroom as well as from visiting experts.

**Public benefit**

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

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

At 11+ students are admitted on the basis of performance in the entrance (11+) test. Up to ten places in Year 7 are reserved for students who receive Free School Meals. Of the remaining places up to fifty percent are awarded to students achieving the automatic standard for entry to this grammar school from East Warwickshire and up to fifty percent are awarded to students achieving the automatic standard for entry to this grammar school from the priority circle (a ten mile circle based around the Rugby Water Tower). Any remaining places are allocated to students on the waiting list who are judged to be of grammar school ability and those living out of area but achieving the automatic qualifying score. Sixth form places are provisionally offered on the basis of performance in mock examinations and teacher predictions. They are confirmed subject to meeting the general condition of 6A\*-B passes and to meeting the subject requirements in the subjects that the student wishes to study at A level. There is no Sixth Form catchment area.

## **RUGBY HIGH SCHOOL ACADEMY TRUST**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2016**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### *Charitable activities*

The academy trust is in its fifth full year of operation. The total number of students on roll in the period ended 31st August 2016 was 836.

Student attainment was outstanding. In Year 13, the A\*-B pass rate was 74.8% and the A\*-E pass rate 99.8%. In Year 11, the A\*-A pass rate was 79.5%. The A\*-C pass rate was 99.3%. 98.9% of the 93 students in Year 11 achieved 5A\*-Cs including English and Mathematics. The school's progress 8 points score was 0.28 which was above average.

Students benefited from a broad range of learning activities outside the classroom including trips to Belgium, France, Iceland and Spain. Closer to home, students' visits included the Pitt Rivers and Ashmolean Museums in Oxford, the Houses of Parliament and Cambridge, Coventry and Warwick Universities. We took students to Bakewell, Bilton, Birmingham, Dorset, and Kenilworth for field study work.

During 2015-2016, the school continued to develop the use of ICT in learning. Our Bring Your Own Device scheme continued to roll out across the school. This has enabled students to access a much wider range of resources, cut the amount of photocopying and improved the pace of learning. During the course of the year staff became much more confident in the use of SISRA to monitor and evaluate their students' performance. This has led to earlier and more effective intervention to support students falling behind.

Construction of the new sports hall started in May 2016 and is scheduled for completion in February 2017.

The school has continued to support the local behaviour partnership and school improvement consortium. It has continued to offer science workshops to local primary students and to facilitate CPD for primary languages teachers. The headteacher has mentored the head of a Lincolnshire secondary school. The school buildings continue to be used by a variety of local community groups out of school hours and during the school holidays.

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

###### *Key financial performance indicators*

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

##### **Financial review**

###### *Investment policy*

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

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**STRATEGIC REPORT**

**Financial review**

*Financial review*

The academy trust's accounting period for this fifth full year of operation is 1st September 2015 to 31st August 2016. Prior period comparatives are for the year 1st September 2014 to 31st August 2015. The majority of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities. EFA funding increased by 3.8% due to the number on roll increasing. Staff costs of £3,354,564 have increased by 2.4% as a result of statutory pay rises and increased pension contributions outside the academy's control. Agency and cover staff costs have reduced as a result of a concerted effort to reduce these wherever possible. Allocated support costs, excluding staffing, have been maintained at a similar level due to tight budgetary controls. The number of students at Rugby High School will continue to grow over the next 2 years. Activities for generating funds as listed in note 3 to the financial statements provide enhancements to the educational service and are provided to students at no net cost to the academy.

During 2015-16, a fund raising campaign continued to raise funds towards the cost of building the new sporting facility and it increased the pledges to just over £190,000.

Restricted general funds have increased to represent 3% of the GAG. The school is budgeting to raise this level over the next few years to provide a higher level of contingency funds, although this is proving difficult under the current economic situation. The investment policy applies principally to the funds held to support ongoing operations and is therefore expected to provide maximum liquidity and minimal risk.

*Going concern*

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

*Reserves policy*

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep the level of reserves under review. Reserves at the end of the period were £3,524,450.

Reserves will be used to contribute towards the cost of developing the school's sporting facilities, maintaining the school buildings and enhancing the learning experience through ICT.

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

**Principal risks and uncertainties**

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

**Financial and risk management objectives and policies**

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

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**STRATEGIC REPORT**

**Future plans**

The academy trust's aims and objectives for 2014-2017 are to raise standards of learning by:

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

Plans for 2016-2017 include:

- \* a continued focus on the delivery of outstanding learning experiences with a special focus ensuring that staff use data to inform their teaching so that all students including students with special needs are appropriately challenged and supported resulting in at least good progress over time.
- \* the enhancement and development of students' emotional and academic resilience, through the development of independence, personal responsibility and reflection, enabling all students to set heights in their heart and strive to achieve them.
- \* ensure that all staff develop an aspect of their practice using Technology (including Frog) as a tool to promote effective learning.

Overseas expeditions planned for 2016-2017 include a Classics trip to Italy, a MFL trip to France and World Challenge expeditions to Croatia and Costa Rica. Closer to home we have planned visits to Bath, Dorset and Cornwall.

Planned in service training for staff includes e-Safety, building resilience in learners and supporting children with autism.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

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

**Members' liability**

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

**Governors' Indemnities**

The academy trust is a member (number 136595) of the Department for Education's Risk Protection Arrangement which provides indemnity to governors.

**Principal activities**

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



## **RUGBY HIGH SCHOOL ACADEMY TRUST**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2016**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

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

##### **Organisational structure**

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

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

##### **Induction and training of new trustees**

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

##### **Connected Organisations, including Related Party Relationships**

The school has a reciprocal access arrangement with Lawrence Sheriff School to broaden the curriculum for Sixth Form students from both schools.


#### **FUNDS HELD AS CUSTODIAN FOR OTHERS**

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

#### **AUDITORS**

The auditors, Atkinson Finch & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on .....28-11-16..... and signed on the board's behalf by:

  
P Reaney - Governor

## RUGBY HIGH SCHOOL ACADEMY TRUST

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2016

#### Scope of Responsibility

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

The board of the governors 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 governors any material weaknesses or breakdowns in internal control.

#### Governance

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

#### Finance and Premises Committee

The purpose of the Finance and Premises Committee is to provide strategic leadership in relation to finance and premises issues. The major issues that the Committee has dealt with this year are securing funding through the CIF process to pay for the construction of the Sports Hall, investing in LED lights to reduce the cost of energy and reducing staff costs in the face of an increasingly difficult funding settlement.

#### Personnel Committee

The purpose of the Personnel Committee is to provide strategic leadership and monitoring in relation to personnel issues. The major issues that the Committee has dealt with this year are further restructuring of the leadership team, reorganisation of pastoral support and reduction in teaching staff to reduce costs whilst maintaining a high standard of education for students.

#### Quality Assurance and Curriculum Committee

The purpose of the Quality Assurance and Curriculum Committee is to provide strategic leadership and monitoring in relation to self evaluation, planning, curriculum and associated policies. The major issues that the Committee has dealt with this year are the maintenance of standards following substantial changes to GCSE and A level specifications, changes to post 16 delivery following the move to linear A levels, changes to pastoral and SEN support and the adoption of new prevent and safeguarding duties.

#### Attendance

Attendance during the year at meetings of the Governing Body and its associated sub committees was as follows:

<u>Governor</u>	<u>Full Governing Body</u>	<u>Personnel</u>	<u>Quality Assurance and Curriculum</u>	<u>Finance and Premises</u>
Peter Reaney	4/4	3/3	3/3	3/3
Jan Halstead	4/4		2/3	
Adrian Canale-Parola	2/4		3/3	
Alexandra Marley	4/4	2/3		
David Robson	3/4			3/3
Lee Williams	0/2			
Shaun Brady	4/4			3/3
Shakeel Saghir	2/4	3/3		
Karen Allton-Evans	0/2		0/1	
Anthony Alonzi	4/4		3/3	
Charlotte Marten	4/4	3/3	2/3	3/3
Gideon Walters	2/2		1/1	
Olcay Nix	0/1			
Suteesh Chumber	3/3			1/2
Catherine Dickens	3/4		2/3	
Janet Gilbert	3/4	3/3		
Charles Hull	4/4		3/3	
Sara Anstee	3/4	3/3		
Michael Moran	1/3			2/2
Rachel Street	2/2	0/1		

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2016**

The Governing Body has encouraged existing Governors to scrutinise and monitor more directly the daily activities and running of the academy. As well as being represented at parents' evenings governors have: observed performance management meetings; participated in the whole school and the Headteacher's performance review; attended school events and met with staff with responsibility for SEN and Safeguarding. In 2016-2017 governors will monitor the strands of the development plan.

**Review of Value for Money**

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

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

- \* installing LED lights across the school to reduce power consumption.
- \* reorganising staff to provide the best value in terms of quality of teaching and learning while keeping costs as low as possible.
- \* streamlining the curriculum to provide a balanced education for the students while ensuring they are challenged and well prepared for life after school.
- \* continuing a fundraising campaign to bring external resources to the school to help with specific projects outside of GAG restrictions.

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

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rugby High School Academy Trust for the period 1st September 2015 to 31st August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1st September 2015 to 31st August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

**The Risk and Control Framework**

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

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

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

**RUGBY HIGH SCHOOL ACADEMY TRUST**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2016**

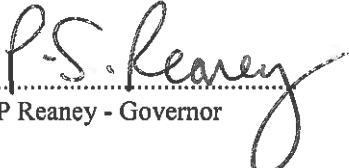
**Review of Effectiveness**

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

- \* the work of the external auditor
- \* the financial management and governance self-assessment process
- \* the work of executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan is in place to ensure continuous improvement

Approved by order of the members of the board of trustees on 28-11-16 and signed on its behalf by:

  
P Reaney - Governor

  
Charlotte Marten - Accounting Officer


**RUGBY HIGH SCHOOL ACADEMY TRUST**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31ST AUGUST 2016**

As accounting officer of Rugby High School Academy Trust I have considered my responsibility to notify the academy board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2015.

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



Charlotte Marten - Accounting Officer

Date: 28/11/16

## RUGBY HIGH SCHOOL ACADEMY TRUST

### STATEMENT OF GOVERNORS RESPONSIBILITIES FOR THE YEAR ENDED 31ST AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

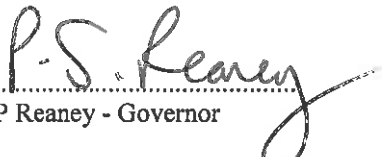
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy and to enable them to ensure that the financial statements comply with the Companies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

The governors are responsible for ensuring that in its conduct and operation the academy 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 EFA/DfE have been applied for the purposes intended.

In so far as the governors are aware:

- there is no relevant audit information of which the academy's auditors are unaware; and
- the governors 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.

Approved by order of the members of the board of trustees on 28.11.16 and signed on its behalf by:

  
P Reaney - Governor

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RUGBY HIGH SCHOOL ACADEMY TRUST**

We have audited the financial statements of Rugby High School Academy Trust for the year ended 31st August 2016 on pages seventeen to thirty seven. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Governors Responsibilities set out on page twelve, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
RUGBY HIGH SCHOOL ACADEMY TRUST**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

*S. Bolton*

Stuart Bolton (Senior Statutory Auditor)  
for and on behalf of Atkinson Finch & Co  
Chartered Accountants  
Central Chambers  
45-47 Albert Street  
Rugby  
Warwickshire  
CV21 2SG

Date: 29-11-16



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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rugby High School Academy Trust during the period 1st September 2015 to 31st August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rugby High School Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rugby High School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Rugby High School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2015, 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 2015 to 2016. 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 1st September 2015 to 31st August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. 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's income and expenditure.

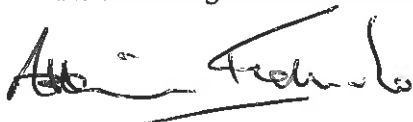
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
RUGBY HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

**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 1st September 2015 to 31st August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Our work consisted of:

- \* understanding the basis on which the academy trust's Accounting Officer had made their Statement on Regularity, Propriety and Compliance on page 12;
- \* obtaining specific written representations from the academy trust's Accounting Officer and the EFA to confirm that to the best of their knowledge that there have been no irregular transactions;
- \* considering (based on our understanding of the academy's internal controls) the risk of irregular transactions occurring;
- \* considering the evidence obtained by us to support the audit opinion which we have provided on pages 14 to 15;
- \* and conducting further substantive procedures as we considered to be appropriate.



Atkinson Finch & Co  
Chartered Accountants  
Central Chambers  
45-47 Albert Street  
Rugby  
Warwickshire  
CV21 2SG

Date: .....2016-11-16.....

**RUGBY HIGH SCHOOL ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST AUGUST 2016**

					2016	2015
	Notes	Unrestricted fund £	Restricted fixed asset funds £	Restricted general funds £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	235	775,288	2,223	777,746	27,452
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	-	3,685,976	3,685,976	3,567,630
Other trading activities	4	28,253	-	574,444	602,697	576,129
<b>Total</b>		<b>28,488</b>	<b>775,288</b>	<b>4,262,643</b>	<b>5,066,419</b>	<b>4,171,211</b>
<b>EXPENDITURE ON</b>						
Raising funds	6	-	-	-	-	53,375
<b>Charitable activities</b>						
Academy's educational operations		16,770	227,275	4,268,284	4,512,329	4,538,241
<b>Total</b>	5	<b>16,770</b>	<b>227,275</b>	<b>4,268,284</b>	<b>4,512,329</b>	<b>4,591,616</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>11,718</b>	<b>548,013</b>	<b>(5,641)</b>	<b>554,090</b>	<b>(420,405)</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		-	-	(566,000)	(566,000)	(26,000)
<b>Net movement in funds</b>		<b>11,718</b>	<b>548,013</b>	<b>(571,641)</b>	<b>(11,910)</b>	<b>(446,405)</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>28,986</b>	<b>4,419,983</b>	<b>(912,609)</b>	<b>3,536,360</b>	<b>3,982,765</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>40,704</b>	<b>4,967,996</b>	<b>(1,484,250)</b>	<b>3,524,450</b>	<b>3,536,360</b>

The notes form part of these financial statements

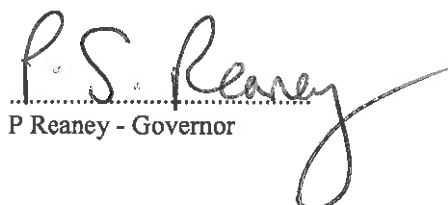
**BALANCE SHEET**  
**AT 31ST AUGUST 2016**

					2016	2015
	Notes	Unrestricted fund £	Restricted fixed asset funds £	Restricted general funds £	Total funds £	Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	12	-	4,967,996	-	4,967,996	4,446,103
<b>CURRENT ASSETS</b>						
Debtors	13	-	-	255,780	255,780	150,017
Cash at bank and in hand		40,704	125,641	189,902	356,247	162,635
		40,704	125,641	445,682	612,027	312,652
<b>CREDITORS</b>						
Amounts falling due within one year	14	-	(125,641)	(336,426)	(462,067)	(265,878)
<b>NET CURRENT ASSETS</b>		40,704	-	109,256	149,960	46,774
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		40,704	4,967,996	109,256	5,117,956	4,492,877
<b>CREDITORS</b>						
Amounts falling due after more than one year	15	-	-	(506)	(506)	(1,517)
<b>PENSION LIABILITY</b>	19	-	-	(1,593,000)	(1,593,000)	(955,000)
<b>NET ASSETS</b>		40,704	4,967,996	(1,484,250)	3,524,450	3,536,360
<b>FUNDS</b>	18					
Unrestricted funds					40,704	28,986
Restricted funds					3,483,746	3,507,374
<b>TOTAL FUNDS</b>					3,524,450	3,536,360

**BALANCE SHEET - CONTINUED**  
**AT 31ST AUGUST 2016**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 28-11-16 and were signed on its behalf by:

  
P Reaney - Governor

  
C Marten - Governor

# **RUGBY HIGH SCHOOL ACADEMY TRUST**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>43,547</u>	<u>(251,221)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>43,547</u>	<u>(251,221)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(623,527)</u>	<u>(77,484)</u>
Capital grants from DfE/EFA		<u>774,603</u>	<u>19,008</u>
<b>Net cash provided by (used in) investing activities</b>		<u>151,076</u>	<u>(58,476)</u>
<b>Cash flows from financing activities:</b>			
Loan repayments in year		<u>(1,011)</u>	<u>(1,011)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(1,011)</u>	<u>(1,011)</u>
		<u>          </u>	<u>          </u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>193,612</b>	<b>(310,708)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>162,635</u>	<u>473,343</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>356,247</u></u>	<u><u>162,635</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2016**

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>554,090</b>	<b>(420,405)</b>
<b>Adjustments for:</b>		
Depreciation	227,275	236,957
Capital grants from DfE/EFA	(774,603)	(19,008)
Increase in debtors	(105,763)	(54,354)
Increase/(decrease) in creditors	70,548	(51,411)
Difference between pension charge and cash contributions	<u>72,000</u>	<u>57,000</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>43,547</u></u>	<u><u>(251,221)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

*First time adoption of FRS 102*

These financial statements are the first financial statements of Rugby High School Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Rugby High School Academy Trust for the year ended 31st August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

**Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Income**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets costing £500 or more, acquired since the academy was established are included in the financial statements at cost. Assets transferred from the predecessor school on establishment of the academy are included in the financial statements at their estimated value to the academy at the time of acquisition, apart from freehold buildings which are included at depreciated replacement cost.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. The depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Expenditure on construction of tangible fixed assets is included in assets under construction within the Balance Sheet at cost, until the asset is brought into use at which point it is transferred to the appropriate fixed asset category and depreciated over its expected useful life.

**Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of the fixed assets, less their residual value, over their expected useful lives on the following bases:

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

No depreciation is charged on assets under construction.

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.

**Taxation**

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

**Fund accounting**

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

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

Restricted general funds comprise all other restricted funds and include grants from the Education Funding Agency, Department of Education and Local Authority, which have to be used in accordance with specific restrictions imposed by them.

Where fixed asset acquisitions are funded from the General Annual Grant (GAG) or general fund, transfers are made from the restricted and unrestricted fund respectively, to the restricted fixed asset fund to offset the cost of the assets as they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**1. ACCOUNTING POLICIES - continued**

**Leased assets**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Pension benefits**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes and the assets are held separately from those of the academy.

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 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 quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are payable each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Donations	235	2,908	3,143	8,444
Grants	-	774,603	774,603	19,008
	<u>235</u>	<u>777,511</u>	<u>777,746</u>	<u>27,452</u>

Grants received, included in the above, are as follows:

	2016 £	2015 £
Academy capital grants	<u>774,603</u>	<u>19,008</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	3,607,307	3,607,307	3,476,595
Other DfE/EFA grants	-	78,669	78,669	87,085
	-	3,685,976	3,685,976	3,563,680
<b>Other revenue grants</b>				
Other revenue grants	-	-	-	3,950
	-	3,685,976	3,685,976	3,567,630

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Fundraising events	-	42,417	42,417	-
Catering sales	-	203,875	203,875	200,841
Music tuition income	-	35,732	35,732	35,304
Hire of facilities	13,347	-	13,347	11,745
School visits income	6,507	153,340	159,847	242,291
Transport income	-	86,987	86,987	57,694
Other student activities income	8,399	25,428	33,827	8,672
Other income	-	26,665	26,665	19,582
	28,253	574,444	602,697	576,129

5. EXPENDITURE

	Staff costs £	Non-pay expenditure		2016 Total £	2015 Total £
		Premises £	Other costs £		
<b>Raising funds</b>					
Costs of fundraising	-	-	-	-	53,375
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	2,721,284	-	408,004	3,129,288	3,196,616
Allocated support costs	633,280	267,446	482,315	1,383,041	1,341,625
	3,354,564	267,446	890,319	4,512,329	4,591,616

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

5. EXPENDITURE - continued

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

	2016 £	2015 £
Depreciation - owned assets	227,275	236,957
Operating leases	5,307	5,308
Auditors' remuneration	<u>7,030</u>	<u>7,030</u>

6. RAISING FUNDS

Costs of fundraising

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Fundraising costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,375</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Direct costs	3,375	3,125,913	3,129,288	3,196,616
Support costs	<u>13,395</u>	<u>1,369,646</u>	<u>1,383,041</u>	<u>1,341,625</u>
	<u>16,770</u>	<u>4,495,559</u>	<u>4,512,329</u>	<u>4,538,241</u>

	2016 Total £	2015 Total £
Analysis of support costs		
Support staff costs	633,280	589,661
Depreciation	90,224	99,907
Technology costs	22,701	36,714
Premises costs	267,446	281,539
Other support costs	361,276	325,865
Governance costs	<u>8,114</u>	<u>7,939</u>
Total support costs	<u>1,383,041</u>	<u>1,341,625</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2016	2015
	£	£
Teaching and educational support staff	2,721,284	2,687,648
Technology costs	35,645	25,094
Educational supplies	64,304	71,715
Examination fees	82,409	93,803
Staff development	11,309	12,201
Educational consultancy	35,102	41,431
Other direct costs	179,235	264,724
	<u>3,129,288</u>	<u>3,196,616</u>

9. GOVERNORS' REMUNERATION AND BENEFITS

**Governors' remuneration and expenses**

The Principal and staff governors only receive remuneration in respect of the services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

	2016	2015
	£	£
Charlotte Marten (Headteacher)	91,186	90,283
Karen Allton-Evans (Staff governor)	5,646	19,701
Gideon Walters (Staff governor)	15,449	-
Anthony Alonzi (Staff governor)	48,951	48,466
A Marley (Exam invigilator)	178	258

**Governors' expenses**

There were no governors' expenses paid for the year ended 31st August 2016 nor for the year ended 31st August 2015.

During the year the Headteacher received reimbursed business expenses of £886 (2015 - £771) in relation to her role as Headteacher. No other governors received any benefits-in-kind or reimbursement of expenses.

**Governors' and Officers' insurance**

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**10. STAFF COSTS**

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	2,623,498	2,574,020
Social security costs	202,365	176,996
Pension costs	<u>498,771</u>	<u>430,119</u>
	<b>3,324,634</b>	<b>3,181,135</b>
Supply teacher costs	<u>29,930</u>	<u>96,174</u>
	<b><u>3,354,564</u></b>	<b><u>3,277,309</u></b>

The number of employees whose emoluments fell within the following bands was:

	No.	No.
£60,001 - £70,000	<u>1</u>	<u>1</u>
£90,001 - £100,000	<u>1</u>	<u>1</u>

The above employees have retirement benefits accruing under the Teachers' Pension Scheme and Local Government Pension Scheme, defined benefit schemes. During the year pension contributions for these employees amounted to £41,751 (2015 - £12,729).

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by the senior leadership team for their service to the academy was £305,763 (2015 - £295,391)

**Average number of employees**

The average number of persons (including senior management team) employed by the academy during the year expressed on an actual and full-time equivalent basis was as follows:

	2016	2015
<b>Actual</b>		
	No.	No.
<b>Charitable activities</b>		
Teachers	58	59
Administration and support	62	59
Management	<u>4</u>	<u>4</u>
	<b><u>124</u></b>	<b><u>122</u></b>
<b>Full time equivalent</b>		
	No.	No.
<b>Charitable activities</b>		
Teachers	47	48
Administration and support	35	36
Management	<u>4</u>	<u>4</u>
	<b><u>86</u></b>	<b><u>88</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fixed asset funds £	Restricted general funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	4,266	19,008	4,178	27,452
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	3,567,630	3,567,630
Other trading activities	16,973	-	559,156	576,129
<b>Total</b>	<b>21,239</b>	<b>19,008</b>	<b>4,130,964</b>	<b>4,171,211</b>
<b>EXPENDITURE ON</b>				
Raising funds	53,375	-	-	53,375
<b>Charitable activities</b>				
Academy's educational operations	8,864	236,957	4,292,420	4,538,241
<b>Total</b>	<b>62,239</b>	<b>236,957</b>	<b>4,292,420</b>	<b>4,591,616</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(41,000)</b>	<b>(217,949)</b>	<b>(161,456)</b>	<b>(420,405)</b>
<b>Transfers between funds</b>	<b>(53,389)</b>	<b>54,494</b>	<b>(1,105)</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	-	(26,000)	(26,000)
<b>Net movement in funds</b>	<b>(94,389)</b>	<b>(163,455)</b>	<b>(188,561)</b>	<b>(446,405)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>123,375</b>	<b>4,583,438</b>	<b>(724,048)</b>	<b>3,982,765</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>28,986</b>	<b>4,419,983</b>	<b>(912,609)</b>	<b>3,536,360</b>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**
**12. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Assets under construction £</b>	<b>Catering equipment £</b>
<b>COST</b>			
At 1st September 2015	<b>4,760,520</b>	<b>26,120</b>	<b>85,650</b>
Additions	<u>-</u>	<u>744,166</u>	<u>-</u>
At 31st August 2016	<u><b>4,760,520</b></u>	<u><b>770,286</b></u>	<u><b>85,650</b></u>
<b>DEPRECIATION</b>			
At 1st September 2015	<b>524,741</b>	<b>-</b>	<b>56,174</b>
Charge for year	<u>137,051</u>	<u>-</u>	<u>12,848</u>
At 31st August 2016	<u><b>661,792</b></u>	<u><b>-</b></u>	<u><b>69,022</b></u>
<b>NET BOOK VALUE</b>			
At 31st August 2016	<u><b>4,098,728</b></u>	<u><b>770,286</b></u>	<u><b>16,628</b></u>
At 31st August 2015	<u><b>4,235,779</b></u>	<u><b>26,120</b></u>	<u><b>29,476</b></u>

	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1st September 2015	<b>83,049</b>	<b>7,025</b>	<b>364,402</b>	<b>5,326,766</b>
Additions	<u>1,209</u>	<u>-</u>	<u>3,793</u>	<u>749,168</u>
At 31st August 2016	<u><b>84,258</b></u>	<u><b>7,025</b></u>	<u><b>368,195</b></u>	<u><b>6,075,934</b></u>
<b>DEPRECIATION</b>				
At 1st September 2015	<b>38,750</b>	<b>3,102</b>	<b>257,896</b>	<b>880,663</b>
Charge for year	<u>15,462</u>	<u>702</u>	<u>61,212</u>	<u>227,275</u>
At 31st August 2016	<u><b>54,212</b></u>	<u><b>3,804</b></u>	<u><b>319,108</b></u>	<u><b>1,107,938</b></u>
<b>NET BOOK VALUE</b>				
At 31st August 2016	<u><b>30,046</b></u>	<u><b>3,221</b></u>	<u><b>49,087</b></u>	<u><b>4,967,996</b></u>
At 31st August 2015	<u><b>44,299</b></u>	<u><b>3,923</b></u>	<u><b>106,506</b></u>	<u><b>4,446,103</b></u>

Additions to assets under construction of £770,286 relate to the purchase costs to date of building a new sports hall on existing freehold land.



NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	20,339	681
Other debtors	5,522	3,839
VAT	149,907	51,312
Prepayments and accrued income	<u>80,012</u>	<u>94,185</u>
	<u>255,780</u>	<u>150,017</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	82,529	124,085
Social security and other taxes	60,855	50,522
Other creditors	18,308	13,783
Accruals and deferred income	<u>300,375</u>	<u>77,488</u>
	<u>462,067</u>	<u>265,878</u>

Deferred income

	£	£
Deferred income at 1st September 2015	54,044	91,384
Resources deferred in year	284,315	54,044
Amounts released from previous periods	<u>(54,044)</u>	<u>(91,384)</u>
Deferred income at 31st August 2016	<u>284,315</u>	<u>54,044</u>

Deferred income represents grant and school trips income received in advance of entitlement of receipt, together with capital grant and fundraising pledges received in advance of associated expenditure.

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

	2016	2015
	£	£
Other creditors	<u>506</u>	<u>1,517</u>

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

16. OPERATING LEASE COMMITMENTS

At 31st August 2016 the academy's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
Amounts due within one year	25,228	21,764
Amounts due between one and five years	<u>8,493</u>	<u>24,499</u>
	<u>33,721</u>	<u>46,263</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

17. 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 an amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

18. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
<b>Unrestricted funds</b>				
General fund	28,986	11,718	-	40,704
<b>Restricted funds</b>				
General Annual Grant (GAG)	188	11,579	-	11,767
Other DfE/EFA/Government grants	19,108	(3,488)	-	15,620
General fund	23,095	58,268	-	81,363
Pension fund	(955,000)	(638,000)	-	(1,593,000)
DfE/EFA capital grants	1,634,375	733,520	-	2,367,895
Capital expenditure from GAG	85,904	(16,109)	-	69,795
Assets transferred from predecessor school	2,546,470	(100,553)	-	2,445,917
Capital expenditure from general fund	147,207	(67,095)	-	80,112
Donations	6,027	(1,750)	-	4,277
	<u>3,507,374</u>	<u>(23,628)</u>	<u>-</u>	<u>3,483,746</u>
<b>TOTAL FUNDS</b>	<u>3,536,360</u>	<u>(11,910)</u>	<u>-</u>	<u>3,524,450</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	28,488	(16,770)	-	11,718
<b>Restricted funds</b>				
General Annual Grant (GAG)	3,607,307	(3,595,728)	-	11,579
Other DfE/EFA/Government grants	78,669	(82,157)	-	(3,488)
General fund	576,667	(518,399)	-	58,268
DfE/EFA capital grants	774,603	(41,083)	-	733,520
Donations	685	(2,435)	-	(1,750)
Pension fund	-	(72,000)	(566,000)	(638,000)
Capital expenditure from GAG	-	(16,109)	-	(16,109)
Assets transferred from predecessor school	-	(100,553)	-	(100,553)
Capital expenditure from general fund	-	(67,095)	-	(67,095)
	<u>5,037,931</u>	<u>(4,495,559)</u>	<u>(566,000)</u>	<u>(23,628)</u>
<b>TOTAL FUNDS</b>	<u>5,066,419</u>	<u>(4,512,329)</u>	<u>(566,000)</u>	<u>(11,910)</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**18. MOVEMENT IN FUNDS - continued**

The restricted general fund includes the General Annual Grant (GAG) and other grants receivable from the EFA and Local Authority to fund expenditure incurred by the Academy in its ordinary operational activities. Under the funding agreement with the Secretary of State, the academy trust was not subject to any limit on the amount of GAG that it could carry forward at 31st August 2016.

Schools funds held in respect of educational visits and events, and pledges paid for work on the Sports Hall are also included in the restricted general fund.

The pension fund relates to the academy's share of the deficit of the Local Government Pension Scheme.

The restricted fixed asset fund includes all transactions related to the purchase of capitalised assets with capital grants and assets transferred from the predecessor school.

**19. PENSION COMMITMENTS**

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

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 31st March 2012 and of the LGPS was 31st March 2013.

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

**Teachers' pension scheme**

*Introduction*

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

19. PENSION COMMITMENTS  
- continued

*Valuation of the Teachers' Pension Scheme*

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31st March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £312,700 (2015 - £266,777).

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

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2016 was £143,000 (2015: £140,000), of which employer's contributions totalled £113,000 (2015: £105,000) and employees' contributions totalled £30,000 (2015: £35,000). The agreed contribution rates for future years are 14.4% for employers and between 5.5% and 7.5% for employees. From the financial year ended 5th April 2016, in addition to the amount paid as a percentage of pay, the academy will also have to make quarterly contributions towards the pension deficit. The contribution for the year ended 5th April 2016 was £26,000 and 5th April 2017 is £32,000.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

19. PENSION COMMITMENTS  
- continued

Principal Actuarial Assumptions

	2016	2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase in pensions	2.1%	2.6%
Discount rate for scheme liabilities	2.0%	3.7%

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.3	24.3
Females	26.6	26.6

The academy's share of the assets and liabilities of the scheme and the expected rates of return were:

	Fair value at 31st August 2016 £	Fair value at 31st August 2015 £
Equities	794,000	595,000
Bonds	281,000	214,000
Property	134,000	111,000
Cash	12,000	9,000
Total market value of assets	1221,000	929,000
Present value of scheme liabilities - funded	(2,814,000)	(1,884,000)
Deficit in the scheme	(1,593,000)	(955,000)

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

The actual return on the scheme assets in the period was £184,000 (2015 - £33,000)

Amounts recognised in the Statement of Financial Activities

	2016 £	2015 £
Current service cost (net of employee contributions)	149,000	144,000
Interest on pension liabilities	72,000	64,000
Total operating charge	221,000	208,000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016

19. PENSION COMMITMENTS  
- continued

Local government pension scheme

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

	2016 £	2015 £
At 1st September 2015	(1,884,000)	(1,644,000)
Current service cost	(149,000)	(144,000)
Interest cost	(72,000)	(64,000)
Employee contributions	(30,000)	(35,000)
Actuarial losses	(714,000)	(13,000)
Benefits paid	35,000	16,000
At 31st August 2016	<u>(2,814,000)</u>	<u>(1,884,000)</u>

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

	2016 £	2015 £
At 1st September 2015	929,000	772,000
Interest income	36,000	31,000
Actuarial gain/(loss)	148,000	2,000
Employer contributions	113,000	105,000
Employee contributions	30,000	35,000
Benefits paid	(35,000)	(16,000)
At 31st August 2016	<u>929,000</u>	<u>929,000</u>

Sensitivity analysis

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

Change in assumptions at 31st August 2016	Approximate % increase to Employer liability	Approximate monetary amount (£)
0.5% decrease in real discount rate	13%	361,000
1 year increase in member life expectancy	3%	84,000
0.5% increase in the salary increase rate	4%	122,000
0.5% increase in pension increase rate	8%	227,000

It must be appreciated in accordance with the Charity Commission publication 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset than can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that an equivalent amount is already committed and is no longer available to the governors to further the charity's objectives.

20. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>664,584</u>	<u></u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2016**

**21. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st August 2016.

**22. ULTIMATE CONTROLLING PARTY**

The charitable company is controlled by the governors listed on page 1.