

**Company Registration Number: 07521636 (England and Wales)**

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Members**

C J Marten  
A Marley  
P S Reaney  
D S Robson  
J E Halstead (resigned 5 December 2017)  
Dr A Canale-Parola  
S Brady (resigned 13 March 2018)

**Trustees**

A D Alonzi  
S J Anstee (resigned 17 October 2018)  
S Brady (resigned 13 March 2018)  
Dr A Canale-Parola  
J Gilbert  
A Marley  
C J Marten  
M J Moran  
Dr E Pyne (resigned 18 July 2018)  
P S Reaney  
D S Robson (resigned 21 August 2018)  
S Saghir  
R Street  
G Walters  
L J Williams (reappointed 1 May 2018, resigned 29 November 2017)  
A S Pophali (appointed 8 June 2018)  
C D Goodier (appointed 8 June 2018)  
S Chettle- Gibrat (appointed 29 August 2018)  
C Hull (resigned 10 May 2018)

**Company registered number**

07521636

**Company name**

Rugby High School Academy Trust

**Principal and registered office**

Rugby High School  
Longrood Road  
Rugby  
Warwickshire  
CV22 7RE

**Company secretary**

A M Kerr

**Senior management team**

C J Marten, Headteacher

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

M Grady, Deputy Headteacher  
Y Grogan  
A M Kerr, Business manager

**Independent auditors**

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

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and Auditor's Report of the charitable company for the 1 September 2017 to 31 August 2018. 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 11-18 serving East Warwickshire and an area centred on Rugby Water Tower with a radius of 10.004 miles. It has a pupil capacity of 600 in the Main School Years 7-11 and up to 300 in the Sixth Form had a roll of 597 in the Main School and 246 in the Sixth Form in the school census on 4th May 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. 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 purpose of company law.

The charitable company operates as Rugby High School Academy Trust (also known as Rugby High School).

Details of the Trustees who served during the are included in the reference and administrative details on page 1.

**b. 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.

**c. Trustees' indemnities**

The Academy Trust is a member of the RPA, membership number 136595, which includes Trustees' (Governors') liability insurance.

**d. Method of recruitment and appointment or election of Trustees**

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**e. Policies and procedures adopted for the induction and training of Trustees**

An induction pack is given to all newly appointed Governors. The induction pack describes their role as a Governor and gives some basic information about the school and the Governing Body (organisational structures, finance, personnel). The induction of Governors is managed by the Chair of Governors. Governors are encouraged to identify their training needs which the school endeavours to meet either through mentoring, bespoke training or generic training. The school subscribes to Warwickshire Governor Services through which Governors are able to access face to face training. Governors are able to access safer recruitment and safeguarding training courses organised by the Warwickshire Safeguarding Children Board (WSCB). The school also subscribes to online Governor training through Learning Link Training..

**f. 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 Internal Auditor position was vacant for part of the financial year. Rachel Street is the Internal Auditor.

**g. 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. In 2014, the Trustees exercised their right to adjust the Headteacher's pay in keeping with paragraph 9.3 in recognition of the contribution that the Headteacher was making to the school's continuing success and to educational leadership nationally. The Headteacher's salary has remained at L36 (the bottom of Group 7 range) since then. The Headteacher's salary is benchmarked against that of other local secondary Headteachers and is in the middle of the salary range for local Headteachers. The salary arrangements for the Deputy Headteacher and the Assistant Headteacher are compliant with paragraph 9.4 of the STPCD. The Business Manager is paid on Point 59 of what was the National Joint Council (NJC) scale, although the NJC scale now no longer extends beyond point 40. He has been on this point since April 2014.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**h. Trade union facility time**

The school pays a subscription of £1,593 to Warwickshire County Council which contributes to the costs of facilities time in school across Warwickshire.

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

	£	
Total cost of facility time	1,593	
Total pay bill	3,370,701	
Percentage of total pay bill spent on facility time	-	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**i. Connected organisations, including related party relationships**

During the academic year 2017-2018 the school had an access arrangement with Lawrence Sheriff School to broaden the curriculum for Sixth Form students from Rugby High School. Towards the end of the academic year, the school also provided some leadership support to The Avon Valley School and College of Performing Arts. The school had consulted about forming a co-operative Multi-Academy Trust (MAT) with The Avon Valley School and College of Performing Arts in April 2017. It has subsequently emerged that The Avon Valley School and College of Performing Arts is not currently in a position that enables it to academise.

**OBJECTIVES AND ACTIVITIES**

**a. 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 women of Rugby and the surrounding area. In line with its funding agreement, although it offers a broad curriculum for young women up to the age of sixteen, it places a special emphasis on science and languages.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**b. Objectives, strategies and activities**

The school's main objectives during the academic year 1 September 2017 to 31 August 2018 were to raise standards of learning by:

- promoting independent learning, resilience and self-help, assisting students to embrace challenges, setbacks, mistakes, and "failure" as part of their learning journey, resulting in improved well-being and maintaining outstanding progress over time.
- ensuring that staff use data, outstanding teaching, efficient and regularly monitored interventions and assessment for learning 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.

Strategies employed to achieve these aims included:

- A focused series of activities for Year 7 students designed to build resilience.
- The use of triads to encourage staff to develop teaching that promotes independence.
- A review of the rewards system to reward resilience and encourage students to embrace challenges, to take risks and to accept failure as being an important element of learning.
- A review of the reporting system to ensure that reporting includes reporting on learning behaviours and dispositions and to allow parents to access reports and attainment checks via Frog (the school's VLE).
- The 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.

**c. Public benefit**

The activities that resulted from the strategies indicated above included:

- Provision of a broad and balanced curriculum to students in Year 7-13.
- A series of trips and visits including to Dorset (Geography and Biology), Birmingham and London (Geography) to undertake field work. Visits to Spain and France to develop students' oral skills and Greece to enhance their cultural understanding. Trips to France, North Wales, Cheshire and Sweden to develop students' physical skills, including their survival skills. Trips to the theatre in the UK to bring plays to life and help students to develop their analytical and reflective skills. Visits to historical and cultural sites associated with the curriculum in History and PHSE e.g. the Black Country Museum.
- 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 led by senior leaders to monitor and evaluate classroom practice.
- A programme of Growth Mindset activities delivered during form time and a collapsed timetable day for Year 7 students.
- A pilot reporting project based on Year 7 involving explicit training of students so that they could write confidently and reflectively about their strengths and areas for development. This also involved a trial of a change to reporting on progress rather than attainment.
- The use of INSET time to conduct a whole school work trawl which enabled staff to identify inconsistencies in assessment practice for themselves as well as to see and celebrate effective assessment practice.
- Reflection in meetings at all levels on lessons learned from the first round of new GCSE and A Levels in 2016 and adjustments to teaching made as a result.
- Staff attendance at training events organised by public examination boards, Warwickshire County Council and the school designed to develop knowledge, understanding and effective professional practice.
- A series of forensic science workshops for local primary students and work with a targeted group of schools funded by the Institute of Physics to improve science education (specifically Physics).



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

- Extensive work with The Avon Valley School and Performing Arts College on the formation of a co-operative MAT.
- Financial leadership support to the Avon valley School and Performing Arts College over a period of four months.
- The Headteacher, as Vice Chair of the Grammar School Heads' Association (until June 2018) provided advice and guidance to other grammar school headteachers.
- The Headteacher serves as a member of AQA's Irregularities and Appeals Committee and also as a member of its Curriculum and Quality Assurance Committee.

The Academy Trust's 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.

## **ACHIEVEMENTS AND PERFORMANCE**

### **STRATEGIC REPORT**

#### **a. Key performance indicators**

##### **Achievements and Performance**

Standards of learning are measured quantitatively by results in GCSE and A Level examinations. Although comparison is made in the section on Key Performance Indicators to 2017 data, it should be remembered that in many cases these were reformed (i.e. new) qualifications designed to be rather more challenging than the unreformed qualifications that they replaced. The school reviews its performance in relation to that of students in other Warwickshire schools and in relation to schools nationally. It is too early to assess the impact of much of the Growth Mindset work that has taken place this year as this is focused on achieving long term cultural change.

##### **Key Performance Indicators**

The total number of students on roll for the period ended 31 August 2018 was 843. This is an increase on the same period in 2017. The main school has continued to expand as the increase from three to four form entry, which began in 2013, has rolled through the school. The school remains heavily oversubscribed for entry into Year 7. Recruitment into the Sixth Form in September 2017 was stronger than in 2016 but not as strong as in previous years. 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. 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 are 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.

The school benefited from capital grants totalling £524,309. This resulted from successful CIF bids to replace the school's aging fire alarm systems and to undertake other fire protection measures and to replace single glazed windows and the surrounding façade. A pleasing increase of 54.3% in income from the hire of facilities was largely due to the school being able to hire out its sports hall to local community groups after school and at weekends.

During the academic year 2017-2018 the school received £1,380 in donations, a 23% increase on the figure for 2017. This increased donation to school fund was as a result of a better awareness amongst parents about the existence of the fund and its use to subsidise some trips and visits and other aspects of school expenditure.

Expenditure was well controlled during the financial year increasing by 0.73%. This was particularly pleasing given the step increase in employers' contributions to the Teachers' Pension Scheme which accounts for more than half of the additional expenditure. Staffing costs accounted for 71.8% of the total expenditure. Teachers' costs were 60.3% and the Support Staff costs were 11.4% of the total spend. Senior leaders' salaries (including on costs) were 7.8% of the total spend. Premises costs accounted for 3.95% of the total spend. Curriculum costs were 3.78% of the total spend.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Student attainment was outstanding. In Year 13, there was an improvement in performance at the top end. Figures for 2017 are given in brackets. The A\*-B pass rate was 70.8% (66.3%). The A\*-C pass rate was 88.9% (86.3%). 51.9% of Year 13 students took up an offer of a place at a Russell Group University. 7 students accepted places at Oxford or Cambridge University.

In Year 11 the Attainment 8 score increased from 71.9 in 2017 to 75 in 2018. In 2018 the average Attainment 8 score for Warwickshire was 49.5 points and the average score nationally was 44.3. The Progress 8 score for the school was 0.70 (Well Above Average) an increase of 0.2 on the 2017 Progress 8 score. 73.7% of GCSE entries were awarded a grade 7 or better (or the equivalent A\* or A for unreformed qualifications).

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 (the Foyles Young Poet Competition).

The school organised 58 trips of which 10 were residential. 5 of the residential trips were overseas.

15 students successfully completed a Duke of Edinburgh Award.

24 students successfully completed their Crest Award .

**b. Going concern**

After making appropriate enquiries, 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.

**FINANCIAL REVIEW**

**a. Reserves policy**

The value of free reserves is £82,558. The level of other reserves (restricted general funds) is £120,777. Material funds have not been designated. The Trustees recognise that the level of reserves leaves little margin for unanticipated costs e.g. the breakdown of key items of equipment such as sewage pumps or to fund a proper plan to replace equipment that is being depreciated.

The Academy's total funds as at 31 August 2018 were £5,034,361 of which £4,951,803 were restricted funds not available for the general purposes of the Academy Trust at 31 August 2018.

The balance on restricted general funds (excluding pension reserve and the restricted fixed asset fund) plus the balance on unrestricted funds at 31 August 2018 was £203,335.

**b. Material investments policy**

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**c. Principal risks and uncertainties**

The principal risks to the Academy are financial and are associated with pay and pensions. Teachers' pension costs increased significantly in 2018 and are due to increase by a further 7% in 2018/2019. Although the government has said that there will be a grant to cover this, it is possible that the grant will not cover the full costs. The same applies to the grant to cover the teachers' pay award. This grant is not based on a detailed calculation that relates to the actual staff employed in the school. There is a further risk in relation to teachers' pay that the current grant is for two years. There is no indication as to what will happen at the end of this period. Schools may be left to fund the award on an ongoing basis. The policy of trying to build reserves is an attempt to mitigate against this risk. A further risk to the school is that although capital items are depreciated, no proper strategy is in place to replace them because there are no funds to fund it. There are times during the course of the school year when the school has to be very careful about the timing of payments because the cash flow is at a critical point. In addition there are the usual risks associated with fraud, damage to reputation, and failure to maintain academic standards.

**d. Financial review**

The in year surplus was £180,084 this represents the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds. The reserves were £203,335 as at 31 August 2018. Reserves will be used to maintain the school buildings and enhance students' learning experiences.

During the course of the academic year 2017-2018, the school had to spend £38,000 replacing servers. This expenditure had not been budgeted for.

The school's principal source of funding is the General Annual Grant. The majority of this has been used to fund staffing. The school's staff are its greatest asset. Highly experienced and long serving in the main, their passion for their subject, their skill and their dedication facilitate students' learning resulting in progress that is well above average (Progress 8 score 2018 = 0.7 an increase of 0.2 on the 2017 Progress 8 score). Expenditure on staff development and training has enabled staff to prepare students effectively for the new GCSE and A Level specifications.

During the year ending 31 August 2018 the school's pension liabilities decreased by £111,000 as a result of changes to valuations.

**FUNDRAISING**

Fundraising has largely been limited to small events held to raise funds for external charities, such as non-uniform days. These funds are paid across in full to the nominated charities. The school engages in limited fundraising to fund its own activities. At the beginning of each year, it invites parents to contribute to its school fund which subsidises trips and visits and other activities which enhance the curriculum. The school's fundraising conforms to recognised standards. Fundraising is monitored by the Internal Auditor. The Complaints Policy would be used to investigate and address any complaints in relation to fundraising. The school has received no complaints in relation to fundraising. The school acknowledges its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and from undue pressure to donate. Former students are asked to give their consent to their data being used to inform them about fundraising initiatives. If this consent has not been given, they are not approached.

The school is not currently working with any professional fundraisers.

The school has a Parent Teacher Association (PTA) which participates in some school events and organises others. The PTA funds items of expenditure that might otherwise not be met e.g. the purchase of seating for the reception area.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**PLANS FOR FUTURE PERIODS**

**a. Future developments**

During the academic year 2018/2019 there will be a significant change in the senior leadership of the school as both the Business Manager and the Headteacher are retiring. A key goal is a smooth transition to enable the new team to build on past successes. The Trustees remain committed to forming a co-operative MAT, although their original partner is unable to proceed. Identifying other suitable partners is high on the agenda for the school's new leadership. A MAT would increase the stability of the school and make it less vulnerable in a period of change and enhance its capacity to successfully bid for new provision. The school recognises that there are financial savings that can be realised from collaborating with other local schools, especially in support services. There is still capacity to expand the Sixth Form and maintaining the increase in Sixth Form numbers is crucial in terms of increasing income and reducing costs. There are no plans for further expansion of the school. However, there are plans to continue to improve the condition of the building. The school will be submitting a Condition Improvement Fund bid to renew its flat rooves.

**Funds held as custodian**

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

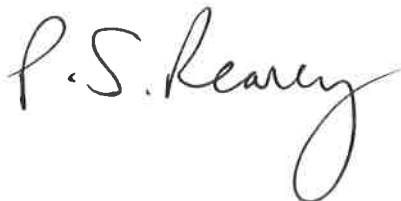
**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustee, as the company directors, on 11 December 2018 and signed on its behalf by:

**P S Reaney**  
**Chair of Trustees**



**RUGBY HIGH SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**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 or loss.

The Board of Trustee 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 Trustee 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 Trustee has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustee was as follows:

Trustee	Meetings attended	Out of a possible
A D Alonzi	4	4
S J Anstee	3	4
S Brady	0	2
Dr A Canale-Parola	3	4
J Gilbert	2	4
A Marley	4	4
C J Marten	4	4
M J Moran	2	4
Dr E Pyne	4	4
P S Reaney	4	4
D S Robson	2	4
S Saghir	2	4
R Street	2	4
G Walters	3	4
L J Williams	1	1
A S Pophali	1	1
C D Goodier	1	1
S Chettle- Gibrat	0	0

The biggest challenges for the board have been those associated with the attempt to form a co-operative MAT and maintaining an outstanding provision given very slim reserves and increased costs of national insurance and pensions.

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

The board has not conducted a formal review of governance. It intends to do so in 2018/2019.

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**GOVERNANCE STATEMENT (continued)**

**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 independent capital funds to support the replacement of windows and to upgrade the fire alarm and undertake other fire safety work.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D S Robson	2	3
P S Reaney	2	3
C J Marten	3	3
G Walters	1	3
M J Moran	1	2
A S Pophali	0	0
L J Williams	0	1
S Brady	0	2
R Street	1	1

**Personnel Committee**

The purpose of the Personnel Committee is to provide strategic leadership and monitoring in relation to personnel issues. The major issue that the Committee has dealt with this year is performance management of staff.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Marley	3	3
P S Reaney	3	3
C J Marten	3	3
S J Anstee	3	3
J Gilbert	2	3
S Saghir	0	3
R Street	2	3

**Audit Committee**

The audit committee is a sub-committee of the main Board of Trustees. Its purpose is to review the risks facing the school. The Audit Committee did not meet in 2017/2018.

**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 have dealt with this year is review of the school's performance and restructuring of the Year 7 curriculum to accommodate an anticipated increase in student numbers due to the school losing a significant number of admissions appeals.

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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Adrian Canale-Parola	2	2
Peter Reaney	1	2
Charlotte Marten	2	2
Anthony Alonzi	2	2
Elizabeth Pyne	1	2
Colin Goodier	0	0

**Review of Value for Money**

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

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

- ensuring that tenders for the capital project to replace the fire alarm and to undertake other fire precaution work were cost effective.
- streamlining the curriculum to provide a balanced education for the students while ensuring they are challenged and well prepared for life after school.
- exploring the formation of a MAT with another local school.
- The Accounting Officer, Governors and Senior Leadership Team continue to monitor budgets and direct resources to provide the best educational and pastoral outcomes for students within a constrained financial environment.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustee 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 Trustee is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustee.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**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 Trustee;
- 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.

The Board of Trustee has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed Rachel Street, a Trustee, to carry out a programme of internal checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included an overview of financial procedures and trip accounting.

The reviewer reports to the Board of Trustees' through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and Personnel 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 Trustee on 11 December 2018 and signed on their behalf, by:

**P S Reaney**  
Chair of Trustees



**Charlotte Marten**  
Accounting Officer



**RUGBY HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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 received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



**Charlotte Marten**  
**Accounting Officer**

Date: 11/12/2018

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

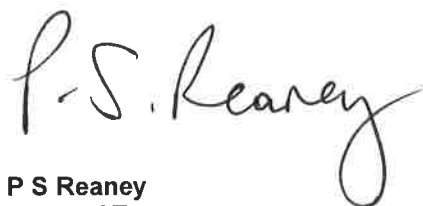
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustee on 11 December 2018 and signed on its behalf by:



**P S Reaney**  
**Chair of Trustees**

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**Opinion**

We have audited the financial statements of Rugby High School Academy Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' Report thereon. 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.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

*Magma Audit LLP*

Richard Lodder (Senior Statutory Auditor)  
**Magma Audit LLP**

Chartered Accountants  
Statutory Auditor

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

Date: *11<sup>th</sup> December 2018*

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 15 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rugby High School Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Rugby High School Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2018, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 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.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RUGBY  
HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Magma Audit LLP*

Reporting Accountant

**Magma Audit LLP**

Chartered Accountants  
Statutory Auditor

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

Date: *11<sup>th</sup> December 2018*

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	525,689	525,689	765,905
Charitable activities	3	-	3,681,668	-	3,681,668	3,718,787
Other trading activities	4	78,959	582,489	-	661,448	684,068
Investments	5	255	-	-	255	-
<b>TOTAL INCOME</b>		<b>79,214</b>	<b>4,264,157</b>	<b>525,689</b>	<b>4,869,060</b>	<b>5,168,760</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		19,477	4,453,443	216,056	4,688,976	4,654,933
<b>TOTAL EXPENDITURE</b>	6	<b>19,477</b>	<b>4,453,443</b>	<b>216,056</b>	<b>4,688,976</b>	<b>4,654,933</b>
<b>NET BEFORE TRANSFERS</b>		<b>59,737</b>	<b>(189,286)</b>	<b>309,633</b>	<b>180,084</b>	<b>513,827</b>
Transfers between Funds	15	(50,827)	-	50,827	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>8,910</b>	<b>(189,286)</b>	<b>360,460</b>	<b>180,084</b>	<b>513,827</b>
Actuarial gains on defined benefit pension schemes	19	-	256,000	-	256,000	560,000
<b>NET MOVEMENT IN FUNDS</b>		<b>8,910</b>	<b>66,714</b>	<b>360,460</b>	<b>436,084</b>	<b>1,073,827</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		73,648	(984,937)	5,509,566	4,598,277	3,524,450
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>82,558</b>	<b>(918,223)</b>	<b>5,870,026</b>	<b>5,034,361</b>	<b>4,598,277</b>

The notes on pages 25 to 43 form part of these financial statements.



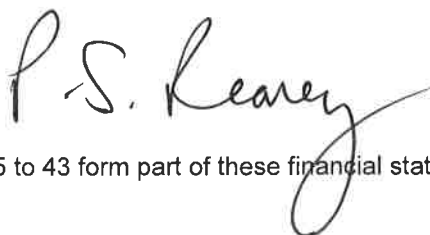
**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07521636**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12		5,870,026		5,509,566
<b>CURRENT ASSETS</b>					
Debtors	13	190,041		159,570	
Cash at bank and in hand		1,073,117		288,886	
		<u>1,263,158</u>		<u>448,456</u>	
<b>CREDITORS: amounts falling due within one year</b>	14		<u>(1,059,823)</u>	<u>(209,745)</u>	
<b>NET CURRENT ASSETS</b>			<b>203,335</b>		<b>238,711</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>6,073,361</b>		<b>5,748,277</b>
Defined benefit pension scheme liability	19		<u>(1,039,000)</u>		<u>(1,150,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>5,034,361</b>		<b>4,598,277</b>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted fund	15	120,777		165,063	
Restricted fixed asset fund	15	5,870,026		5,509,566	
Restricted funds excluding pension liability		5,990,803		5,674,629	
Pension reserve		<u>(1,039,000)</u>		<u>(1,150,000)</u>	
Total restricted funds			<b>4,951,803</b>		<b>4,524,629</b>
Unrestricted income funds	15		<u>82,558</u>		<u>73,648</u>
<b>TOTAL FUNDS</b>			<b>5,034,361</b>		<b>4,598,277</b>

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

**P S Reaney**  
**Chair of Trustees**



The notes on pages 25 to 43 form part of these financial statements.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	17	<u>835,058</u>	<u>(65,256)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(576,516)	(768,010)
Capital grants from DfE and other capital income		<u>525,689</u>	<u>765,905</u>
<b>Net cash used in investing activities</b>		<u>(50,827)</u>	<u>(2,105)</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<u>288,886</u>	<u>356,247</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>1,073,117</u></u>	<u><u>288,886</u></u>

The notes on pages 25 to 43 form part of these financial statements.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future 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.

**1.3 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 Department for Education Group.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

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

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

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

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

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

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

Where assets are received by the Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants. The land and buildings are held on a 125 year lease with Local Authority. The cost of the land and buildings was arrived at using ESFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

**1.5 EXPENDITURE**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**RUGBY HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	-	2% - 10% on cost
Fixtures and fittings	-	20% on cost
Catering equipment	-	15% on cost
Motor vehicles	-	10% 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 incorporating income and expenditure account.

**1.7 OPERATING LEASES**

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

**1.8 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.

**1.9 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.10 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 basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the Academy Trusts 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.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trusts wholly owned subsidiary are held at face value less any impairment.

**1.11 TAXATION**

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

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

**1.12 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.13 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.

**Defined benefit pension scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and page 21 for the useful economic lives for each class of assets.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	1,380	1,380	1,115
Capital grants	-	524,309	524,309	764,790
	-	525,689	525,689	765,905
<i>Total 2017</i>	227	765,678	765,905	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	3,633,049	3,633,049	3,639,906
Other Dfe Group grant	-	48,619	48,619	78,881
	-	3,681,668	3,681,668	3,718,787
<i>Total 2017</i>	-	3,718,787	3,718,787	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering sales	929	223,334	224,263	235,248
Hire of facilities	28,801	-	28,801	18,662
School visits income	8,588	209,349	217,937	234,939
Transport income	-	68,886	68,886	100,877
Other student activities income	15,679	66,463	82,142	75,676
Other income	24,962	14,457	39,419	18,666
	78,959	582,489	661,448	684,068
<i>Total 2017</i>	48,727	635,341	684,068	



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**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Bank interest	255	-	255	-

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Educational operations:					
Direct costs	2,832,139	32,405	490,924	3,355,468	3,295,582
Support costs	538,562	154,673	640,273	1,333,508	1,359,351
	<u>3,370,701</u>	<u>187,078</u>	<u>1,131,197</u>	<u>4,688,976</u>	<u>4,654,933</u>
<i>Total 2017</i>	<u>3,347,684</u>	<u>127,222</u>	<u>1,148,027</u>	<u>4,622,933</u>	

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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	2,000,267	2,003,173
National insurance	211,413	208,013
Pension cost	592,278	548,652
Pension income	30,000	32,000
Other staff costs	28,414	28,102
Educational supplies	94,213	92,435
Examination fees	84,758	72,299
Staff development	10,194	11,694
Consultancy	39,158	48,145
Goods and services	228,617	246,932
Interest payable	3,751	4,137
Depreciation	32,405	-
	<b>3,355,468</b>	<i>3,295,582</i>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	437,421	451,662
National insurance	25,065	26,974
Pension cost	76,076	81,108
Depreciation	183,651	226,439
Recruitment and support	8,012	22,578
Maintenance of premises and equipment	42,414	37,935
Cleaning	9,727	9,840
Rent and rates	32,141	34,657
Energy costs	70,391	59,509
Insurance	16,888	16,660
Security and transport	68,091	105,848
Catering	125,072	116,716
Other costs	238,559	169,425
	<b>1,333,508</b>	<i>1,359,351</i>
	<b>4,688,976</b>	<i>4,654,933</i>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018 £</b>	<i>2017 £</i>
Depreciation of tangible fixed assets: - owned by the charity	216,056	226,440
Auditors remuneration	7,210	7,000
Operating leases	26,603	39,942
	<b>249,869</b>	<i>273,382</i>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,437,688	2,454,835
Social security costs	236,478	234,987
Operating costs of defined benefit pension schemes	668,354	629,760
	3,342,520	3,319,582
Supply teacher costs	28,181	28,102
	3,370,701	3,347,684

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	56	62
Administration and support	72	62
Management	4	4
	132	128

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

The above employees participated in the Teacher' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff members amounted to £36,570 (2017 - £35,697).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £356,231 (2017 - £210,876). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

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**10. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Charlotte Marten (Headteacher)	Remuneration	90,000-95,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Gideon Walters (Staff governor)	Remuneration	25,000-30,000	20,000-25,000
	Pension contributions paid	5,000-10,000	0-5,000
Anthony Alonzi (Staff governor)	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £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. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2017	6,249,958	110,096	85,650	7,025	391,215	6,843,944
Additions	504,632	11,902	1,034	-	58,948	576,516
Disposals	-	-	-	-	(46,761)	(46,761)
At 31 August 2018	<u>6,754,590</u>	<u>121,998</u>	<u>86,684</u>	<u>7,025</u>	<u>403,402</u>	<u>7,373,699</u>
<b>DEPRECIATION</b>						
At 1 September 2017	818,702	71,415	81,870	4,508	357,883	1,334,378
Charge for the year	166,840	18,448	3,463	702	26,603	216,056
On disposals	-	-	-	-	(46,761)	(46,761)
At 31 August 2018	<u>985,542</u>	<u>89,863</u>	<u>85,333</u>	<u>5,210</u>	<u>337,725</u>	<u>1,503,673</u>
<b>NET BOOK VALUE</b>						
At 31 August 2018	<u>5,769,048</u>	<u>32,135</u>	<u>1,351</u>	<u>1,815</u>	<u>65,677</u>	<u>5,870,026</u>
At 31 August 2017	<u>5,431,256</u>	<u>38,681</u>	<u>3,780</u>	<u>2,517</u>	<u>33,332</u>	<u>5,509,566</u>

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**13. DEBTORS**

	2018	2017
	£	£
Trade debtors	9,176	22,586
Other debtors	99,048	31,930
Prepayments and accrued income	81,817	105,054
	190,041	159,570

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	130,391	51,815
Other taxation and social security	56,789	58,601
Other creditors	13,475	15,947
Accruals and deferred income	859,168	83,382
	1,059,823	209,745

	2018	2017
	£	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	44,471	284,315
Amounts released from previous years	(44,471)	(284,315)
Resources deferred during the year	568,020	44,471
Deferred income at 31 August 2018	568,020	44,471

The closing balance of deferred income mainly relates to trip income received in advance of entitlement of receipts and CIF funding received in advance of associated expenditure.

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**15. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	73,648	79,214	(19,477)	(50,827)	-	82,558
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	7,723	3,633,049	(3,560,840)	-	-	79,932
Other DfE Group grants	38,844	48,619	(87,463)	-	-	-
General fund	118,496	582,489	(660,140)	-	-	40,845
Pension reserve	(1,150,000)	-	(145,000)	-	256,000	(1,039,000)
	<u>(984,937)</u>	<u>4,264,157</u>	<u>(4,453,443)</u>	<u>-</u>	<u>256,000</u>	<u>(918,223)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Assets transferred from predecessor school	2,445,917	-	-	-	-	2,445,917
DfE Group capital grants	2,906,246	524,309	(216,056)	-	-	3,214,499
Capital expenditure from GAG	69,795	-	-	50,827	-	120,622
Capital expenditure from general fund	82,443	-	-	-	-	82,443
Donations	5,165	1,380	-	-	-	6,545
	<u>5,509,566</u>	<u>525,689</u>	<u>(216,056)</u>	<u>50,827</u>	<u>-</u>	<u>5,870,026</u>
Total restricted funds	<u>4,524,629</u>	<u>4,789,846</u>	<u>(4,669,499)</u>	<u>50,827</u>	<u>256,000</u>	<u>4,951,803</u>
Total of funds	<u><u>4,598,277</u></u>	<u><u>4,869,060</u></u>	<u><u>(4,688,976)</u></u>	<u><u>-</u></u>	<u><u>256,000</u></u>	<u><u>5,034,361</u></u>

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

Restricted funds

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

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

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

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

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**15. STATEMENT OF FUNDS (continued)**

Restricted fixed assets

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

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

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 2018.

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds	40,704	48,954	(16,010)	-	-	73,648
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	11,767	3,639,907	(3,641,620)	(2,331)	-	7,723
Other DfE Group grants	15,620	78,881	(55,657)	-	-	38,844
General fund	81,363	635,340	(598,207)	-	-	118,496
Pension reserve	(1,593,000)	-	(117,000)	-	560,000	(1,150,000)
	<u>(1,484,250)</u>	<u>4,354,128</u>	<u>(4,412,484)</u>	<u>(2,331)</u>	<u>560,000</u>	<u>(984,937)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Assets transferred from predecessor school	2,445,917	-	-	-	-	2,445,917
DfE Group capital grants	2,367,895	764,790	(226,439)	-	-	2,906,246
Capital expenditure from GAG	69,795	-	-	-	-	69,795
Capital expenditure from general fund	80,112	-	-	2,331	-	82,443
Donations	4,277	888	-	-	-	5,165
	<u>4,967,996</u>	<u>765,678</u>	<u>(226,439)</u>	<u>2,331</u>	<u>-</u>	<u>5,509,566</u>
Total restricted funds	<u>3,483,746</u>	<u>5,119,806</u>	<u>(4,638,923)</u>	<u>-</u>	<u>560,000</u>	<u>4,524,629</u>
Total of funds	<u><u>3,524,450</u></u>	<u><u>5,168,760</u></u>	<u><u>(4,654,933)</u></u>	<u><u>-</u></u>	<u><u>560,000</u></u>	<u><u>4,598,277</u></u>

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**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	5,870,026	5,870,026
Current assets	82,558	1,180,600	-	1,263,158
Current liabilities	-	(1,059,823)	-	(1,059,823)
Pension scheme liabilities	-	(1,039,000)	-	(1,039,000)
	<u>82,558</u>	<u>(918,223)</u>	<u>5,870,026</u>	<u>5,034,361</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	5,509,566	5,509,566
Current assets	73,648	374,808	-	448,456
Current liabilities	-	(209,745)	-	(209,745)
Pension scheme liabilities	-	(1,150,000)	-	(1,150,000)
	<u>73,648</u>	<u>(984,937)</u>	<u>5,509,566</u>	<u>4,598,277</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	180,084	513,827
<b>Adjustment for:</b>		
Depreciation charges	216,056	226,440
(Increase)/decrease in debtors	(30,471)	96,210
Increase/(decrease) in creditors	850,078	(252,828)
Capital grants from DfE and other capital income	(525,689)	(765,905)
Defined benefit pension scheme cost less contributions payable	145,000	117,000
<b>Net cash provided by/(used in) operating activities</b>	<u>835,058</u>	<u>(65,256)</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	1,073,117	288,886
<b>Total</b>	<u>1,073,117</u>	<u>288,886</u>



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**19. PENSION COMMITMENTS**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £320,070 (2017 - £317,900).

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 an unfunded 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.

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**19. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £153,000 (2017 - £148,000), of which employer's contributions totalled £118,000 (2017 - £112,000) and employees' contributions totalled £35,000 (2017 - £36,000). The agreed contribution rates for future years are 23.4% - 24.4% for employers and 5.5% - 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 Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	<b>2018</b>	<i>2017</i>
Discount rate for scheme liabilities	<b>2.80 %</b>	<i>2.50 %</i>
Expected return on scheme assets at 31 August	<b>3.80 %</b>	<i>3.80 %</i>
Rate of increase in salaries	<b>3.00 %</b>	<i>2.70 %</i>
Inflation assumption (CPI)	<b>2.40 %</b>	<i>2.40 %</i>

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

	<b>2018</b>	<i>2017</i>
Retiring today		
Males	<b>22.5</b>	<i>22.5</i>
Females	<b>24.7</b>	<i>24.3</i>
Retiring in 20 years		
Males	<b>24.3</b>	<i>24.7</i>
Females	<b>26.7</b>	<i>26.7</i>

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**19. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2018 £</b>	<i>Fair value at 31 August 2017 £</i>
Equities	<b>1,176,000</b>	<i>1,091,000</i>
Corporate bonds	<b>224,000</b>	<i>183,000</i>
Bonds	<b>411,000</b>	<i>356,000</i>
Cash and other liquid assets	<b>56,000</b>	<i>33,000</i>
	<hr/>	<hr/>
Total market value of assets	<b>1,867,000</b>	<i>1,663,000</i>
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The actual return on scheme assets was £35,000 (2017 - £294,000).

Expected returns on assets are calculated as follows:-

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

**Asset model**

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

Key subjective assumptions are:

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

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

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2017 for the year to 31 August 2018, or date of joining the fund if later).

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**19. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(233,000)	(197,000)
Interest income	43,000	26,000
Interest cost	(73,000)	(58,000)
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Total	<b>(263,000)</b>	<b>(229,000)</b>
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Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	2,813,000	2,814,000
Current service cost	233,000	197,000
Interest cost	73,000	58,000
Employee contributions	35,000	36,000
Actuarial gains	(221,000)	(266,000)
Benefits paid	(27,000)	(26,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>2,906,000</b>	<b>2,813,000</b>
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Movements in the fair value of the Academy Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,663,000	1,221,000
Expected return on assets	43,000	26,000
Actuarial gains/(losses)	35,000	294,000
Employer contributions	118,000	112,000
Employee contributions	35,000	36,000
Benefits paid	(27,000)	(26,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>1,867,000</b>	<b>1,663,000</b>
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**20. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	28,652	35,431
Between 1 and 5 years	50,737	59,045
Total	<u>79,389</u>	<u>94,476</u>

**21. 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.

**22. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.