

Company Registration Number: 07521636 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24 - 25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 50

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C J Marten A Marley P S Reaney Dr A Canale-Parola
Trustees	P S Reaney, Chair of Trustees ¹ A D Alonzi L J Williams ¹ A S Pophali ¹ Dr A Canale-Parola J Gilbert A Marley C J Marten (resigned 31 August 2019) ¹ M J Moran ¹ J King (appointed 14 February 2019) ¹ S Chettle-Gibrat ¹ S Saghir (Term of Office Completed 31 August 2019) R Street ¹ G Walters ¹ C D Goodier S J Anstee (resigned 25 October 2018) M Grady (appointed 1 September 2019)
	¹ Finance Committee
Company registered number	07521636
Company name	Rugby High School Academy Trust
Registered office	Rugby High School Longrood Road Rugby Warwickshire CV22 7RE
Company secretary	P Cartmell
Senior management team	C J Marten, Headteacher (resigned 31 August 2019) M Grady, Deputy Headteacher to 31 August 2019 M Grady, Headteacher from 1 September 2019 A M Kerr, Business manager (resigned 5 February 2019) P Cartmell, Business manager (appointed 21 January 2019) Y Grogan, Assistant Headteacher

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors	Magma Audit LLP Chartered Accountants Magma House 16 Davy Court Castle Mound Way Rugby CV23 0UZ
-----------------------------	---

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates an Academy for students (girls) aged 11-16, including a mixed (girls and boys) sixth form serving East Warwickshire and an area centred on Rugby Water Tower with a radius of 10 miles. It has a pupil capacity of 600 in the Main School Years 7-11 and up to 300 in the Sixth Form had a roll of 596 in the Main School and 273 in the Sixth Form in the school census on 4 May 2019.

Structure, governance and management

• Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

• Members' liability

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

• Trustees' indemnities

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

• Method of recruitment and appointment or election of Trustees

The Governing Body consists of 18 Trustees, with 15 posts currently occupied. There is one Membership Governor elected by the other Governors. There is an LA Governor nominated by Warwickshire County Council. There are two 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. Five of the Governors are parents of students who attend the school elected by the parent body to serve for a period of four years. Parents are notified via the school's newsletter that a vacancy has arisen and details of the election process. Expressions of interest are invited. Potential candidates are issued with an information pack that includes a nomination form. Ballot forms are issued on the basis of one form per parent/carer. Parents are asked to return forms to the Clerk to the Governors at the school.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

• **Policies adopted for the induction and training of Trustees**

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

• **Organisational structure**

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

The Senior Leadership Team controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and limits and for the appointment of staff with the exception of Senior Leadership Team members. The Headteacher is the Academy's Accounting Officer and serves as a Trustee. The current Headteacher was appointed on the 1 September 2019 and in this new role becomes responsible to sign this Trustees' Report on behalf of his predecessor. The Internal Auditor position is held by Rachel Street (Governor).

• **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.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

• **Trade union facility time**

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,490,113
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	- %
---	-----

• **Related parties and other connected charities and organisations**

The school had previously enjoyed an access arrangement with Lawrence Sheriff School to broaden the curriculum for Sixth Form students from Rugby High School. However due to timetable differences between the schools the relationship was no longer available in 2018/19. In 2017/18 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 subsequently emerged that The Avon Valley School and College of Performing Arts were not in a position that allowed it to academise. No further progress with MAT formation has been made in 2018/19.

The school has a connected charity which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction 2018 to 2019 (SORP 2015) some summary details of this charity's activities are included in note 26 to the financial statements.

Objectives and activities

• **Objects and aims**

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

• **Objectives, strategies and activities**

The school's main objectives during the academic year 1 September 2018 to 31 August 2019 were to raise standards of learning by:

- promoting independent learning, resilience and self help, assisting students to embrace challenges, set backs, 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 the Teaching and Learning group to develop and share a variety of good practice around assessment and differentiation in addressing SEN needs and the needs of all students.
- A review of the assessment, attainment and reporting system, focussing on attitude to learning and capturing student responses to their own learning in the formal reporting structure, encouraging independence and ore clarity of student progress at key indicator points of the year.
- The continued use of SISRA Analytic's new Expected Attainment Pathway (EAP) function to track student progress over time and to challenge and hold staff to account.
- A diverse provision including many opportunities for students to learn outside the classroom as well as from visiting experts.
- Partnership and collaborative work with other primary, secondary and special schools.

The activities that resulted from the strategies indicated above included:

- Provision of a broad and balanced curriculum to students in Years 7-13.
- A series of trips and visits including to Dorset (Geography and Biology), Birmingham and London (Geography) to undertake field work. Visits to Spain and France to develop students' oral skills and Italy to enhance their cultural understanding. Trips to France, North Wales, Cheshire and Tanzania 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 and observations led by senior leaders to monitor and evaluate classroom practice.
- A programme of Growth Mindset activities delivered during form time and a collapsed timetable day for Year 7 students.
- All students now art of the "reporting process" their own reflections on their attainment and progress nor forming an official part of the reporting document.
- The use of INSET time to conduct a whole school planning morning reflecting on reporting and also in some detail on positive mental health
- Reflection in meetings at all levels on lessons learned from the second round of new GCSE and A Levels in 2017-18 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).
- Financial leadership support to the Avon valley School and Performing Arts College over a period of four months.
- The Headteacher (C Marten), as Vice Chair of the Grammar School Heads' Association (until June 2018)

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- 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.

- **Public benefit**

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

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

Strategic report

Achievements and performance

• **Key performance indicators**

Standards of learning are measured quantitatively by results in GCSE and A Level examinations. Although comparison is made in the section on Key Performance Indicators to 2018 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.

The total number of students on roll for the period ended 31 August 2019 was 869. This is an increase on the same period in 2018. 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 2018 was stronger than in 2017, and is seemingly becoming a little more consistent. It is difficult to predict numbers moving forward. This is a function partly of increased competition from other local Sixth Forms and a drop in attainment in two local feeder schools which meant that fewer prospective applicants met the entry criteria for the Sixth Form. 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.

During the year the school saw the end of the works associated with the capital grants, carried over from 2017/18. The CIF funding which allowed the replacement of the school's aging fire alarm systems and the replacement of single glazed windows including the surrounding façade were a tremendous success and the school is expecting reduced energy costs in future.

Total income (excluding restricted fixed asset income) for 2018/19 increased by 4.96% versus the previous year. The majority of the increase is accounted for by additional grant money from other DfE Group grants as well as an increase in the school visits income.

Student attainment was outstanding. In Year 13, there was a good level of consistency in results. Figures for 2018 are given in brackets. The A* B pass rate was 69.3% (70.8%). The A* C pass rate improved to 89.9% (88.9%). Over 50% of Year 13 students took up an offer of a place at a Russell Group University. 3 students accepted places at Oxford or Cambridge University. 97% of students who wanted to attend university took up a place.

In Year 11 the Attainment 8 score was 72.6 (75). In 2019 the average Attainment 8 score for Warwickshire was

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

49.7 points and the average score nationally was 46.5. The Progress 8 score for the school was 0.62 (Well Above Average) (0.7 in 2018 – so pleasingly consistent). 70% 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 (Foyles Young Poet Competition).

The school organised 61 (2018 - 53) trips of which 14 (2018 - 10) were residential. 8 (2018 - 5) of the residential trips were overseas.

44 students successfully completed their bronze Duke of Edinburgh Award, 22 Silver and 11 Gold

25 Students completed the CREST award.

• **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

• **Financial review**

The Academy had a net increase in funds for the year ended 31 August 2019 of £358,766 including fixed assets movements but excluding pension reserve movements. As at 31 August 2019 the Academy held £134,698 of unrestricted reserves plus £121,073 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £255,771.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £1,698,000 at 31 August 2019 and a fixed asset reserve of £6,176,356 being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principal financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

• **Reserves policy**

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

Actual free reserves plus unspent GAG as at 31 August 2019 were £166,704, being £16,704 higher than the target level set by the Trustees. The excess will be used to address overdue maintenance on the site and assist the leadership team with their plans in 2019/20. The academy also held other available restricted funds at the year end of £75,785 in relation to the Sports Hall improvements and £13,282 in catering income. Total available reserves, being the above figures at 31 August 2019 were £255,771. Cash at bank at 31 August 2019 was £49,020 higher than total available reserves due principally to PAYE/NI and pension costs for August 2019 being paid over in September 2019 and some income received in advance of 2019/20.

At 31 August 2019 the Academy's fixed asset reserve of £6,176,356 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £1,698,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

• **Investment policy**

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

• **Principal risks and uncertainties**

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

The current Government has promised an increase in KS3/4 funding commencing in 2020 in their attempt to offer £5,000 per pupil funding across the country. The increase for the school amounts to an increased income of 4.5% of base line funding (£129,000) which could be used to widen the curriculum offer in KS4 or assist with overdue maintenance of the site. There is however significant uncertainty that the funding will materialise from a pure political perspective. The policy of trying to build reserves is an attempt to mitigate against these risks.

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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.

Plans for future periods

During the academic year 2018/19 there was a significant change in the senior leadership of the school as both the Business Manager and the Headteacher retired. There was a new Head (rooted from Deputy of the School) and new Deputy and a new Head of sixth form (all internal appointments) and a new Business Manager (external appointment) The school had the largest turn-over of staff in recent years with 6 new teaching staff starting and 4 new support staff. A key goal is a smooth transition to enable the new team to build on past successes. The Trustees remain committed to forming a co operative MAT, although their original partner is unable to proceed. Identifying other suitable partners is high on the agenda for the school's new leadership. A MAT would increase the stability of the school and make it less vulnerable in a period of change and enhance its capacity to successfully bid for new provision. The school recognises that there are financial savings that can be realised from collaborating with other local schools, especially in support services. There is still capacity to expand the Sixth Form and maintaining the increase in Sixth Form numbers is crucial in terms of increasing income and reducing costs. There are no plans for further expansion of the school. However, there are plans to continue to improve the condition of the building.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

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

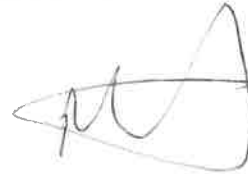
The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 10 December 2019 and signed on its behalf by:

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019



P S Reaney
Chair of Trustees



M Grady
Accounting Officer

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

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

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

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

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.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board did not complete a formal review of Governance in 2018/19, however in conjunction with the appointment of a new Leadership Team the Board have commissioned a full independent review of Governance within the Trust. The professional review by the National Governance Association commenced in October 2019 and its formal findings and recommendations will be shared with Members, Trustees and the Senior Leadership Team in December 2019.

Finance and Premises Committee

The purpose of the Finance and Premises Committee is to provide strategic leadership in relation to finance and premises issues. The major issues that the Committee has dealt with this year are ensuring the successful completion of the two CIF projects with minimal impact on the schools own finances.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P S Reaney	3	3
C J Marten	3	3
G Walters	3	3
M J Moran	2	3
A S Pophali	3	3
L J Williams	0	3
R Street	3	3
S Chettle-Gibrat	2	3
J King	1	1

Personnel Committee

The purpose of the Personnel Committee is to provide strategic leadership and monitoring in relation to personnel issues. The major issues that the Committee have dealt with this year is the appointment of a New Headteacher, Deputy Headteacher and Business Manager.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Marley	3	3
P S Reaney	2	3
C J Marten	3	3
J Gilbert	3	3
S Saghir	1	3
R Street	2	3

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 GCSE and A-Level offer in the light of ever tightening budgets, ensuring a broad and balanced offer at Both KS4 and 5 that makes the school competitive and prepares our students fully to move on into University.

Attendance during the year at meetings was as follows:

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
Dr A Canale-Parola	3	3
P S Reaney	3	3
C J Marten	2	3
A D Alonzi	3	3
C D Goodier	3	3

Review of value for money

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

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

- ensuring that tenders for all significant projects were cost effective.
- streamlining the curriculum to provide a balanced education for the students while ensuring they are challenged and well prepared for life after school.
- 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees have 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustee.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed R 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:

- testing on payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations

On an annual basis, the reviewer reports to the board of Trustees through the Finance and Premises committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The latest internal audit visit was June 2018. No material control issues were identified as a result of the internal auditor's review work.

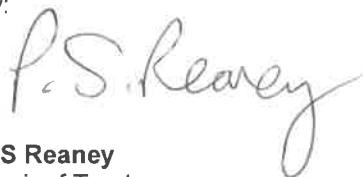
Review of effectiveness

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

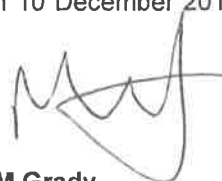
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 10 December 2019 and signed on their behalf by:



P S Reaney
Chair of Trustees



M Grady
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

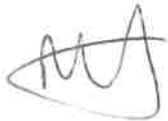
As accounting officer of Rugby High School Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

As the Headteacher appointed from 1 September 2019, I sign as the accounting officer, based only on the information available to me and presented by the auditors for the year 2018/19. For the year 2019/20 the issues raised in this report are already being addressed, and have been addressed in the most part since September 2019.

In addition a full Governing Board review, conducted by the NGA is clearly directing us to further adaptations and changes to governance, including a clearer separation of members and Trustees, and rigorous training in accountability measures for the entire governing body of the school, in order to ensure that we comply fully with all guidance moving forward.



M Grady
Accounting Officer
Date: 10 December 2019

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

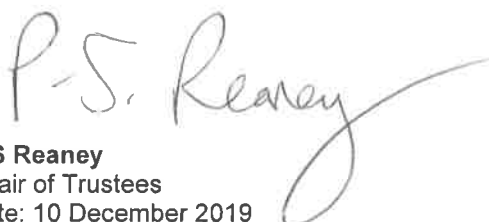
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Trustees and signed on its behalf by:


P S Reaney
Chair of Trustees
Date: 10 December 2019

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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2018 to 2019 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 2019 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 2018 to 2019 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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Richard Lodder (Senior Statutory Auditor)

for and on behalf of
Magma Audit LLP

Chartered Accountants
Statutory Auditor

Magma House

16 Davy Court

Castle Mound Way

Rugby

CV23 0UZ

16th December 2019

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

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

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 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rugby High School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Rugby High School Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

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

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

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the financial year the Academy failed to comply with a number of the requirements of the Academies Financial Handbook 2018. These include not conducting internal audit provision, not circulating monthly management accounts and cash flows to the Chair of Trustees, and not following tendering policies which are in place to ensure best value. Furthermore a number of more minor, non-compliances occurred during the year such as failure to meet external deadlines set by HMRC and the Education & Skills Funding Agency.

Insufficient strength of governance, and the finance team experiencing a number of staffing challenges during the year, led to these issues which we are advised are being subsequently addressed.

Magma Audit LLP

Reporting Accountant

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

Date: *16 December 2019*

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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	16,247	-	545,386	561,633	540,918
Charitable activities	4	8,761	4,321,767	-	4,330,528	4,122,939
Other trading activities	5	57,098	153,103	-	210,201	204,948
Investments	6	1,758	-	-	1,758	255
Total income		83,864	4,474,870	545,386	5,104,120	4,869,060
Expenditure on:						
Raising funds		31,724	-	-	31,724	-
Charitable activities		-	4,610,422	245,208	4,855,630	4,688,976
Total expenditure	7	31,724	4,610,422	245,208	4,887,354	4,688,976
Net income/(expenditure)		52,140	(135,552)	300,178	216,766	180,084
Transfers between funds	16	-	(6,152)	6,152	-	-
Net movement in funds before other recognised gains/(losses)		52,140	(141,704)	306,330	216,766	180,084
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(517,000)	-	(517,000)	256,000
Net movement in funds		52,140	(658,704)	306,330	(300,234)	436,084
Reconciliation of funds:						
Total funds brought forward		82,558	(918,223)	5,870,026	5,034,361	4,598,277
Net movement in funds		52,140	(658,704)	306,330	(300,234)	436,084
Total funds carried forward		134,698	(1,576,927)	6,176,356	4,734,127	5,034,361

The notes on pages 27 to 50 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 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	6,176,356	5,870,026
		6,176,356	5,870,026
Current assets			
Debtors	14	171,965	190,041
Cash at bank and in hand		304,791	1,073,117
		476,756	1,263,158
Creditors: amounts falling due within one year	15	(220,985)	(1,059,823)
		255,771	203,335
Net current assets		255,771	203,335
Total assets less current liabilities		6,432,127	6,073,361
Net assets excluding pension liability		6,432,127	6,073,361
Defined benefit pension scheme liability	22	(1,698,000)	(1,039,000)
Total net assets		4,734,127	5,034,361
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	16	6,176,356	5,870,026
Restricted income funds	16	121,073	120,777
		6,297,429	5,990,803
Restricted funds excluding pension liability	16	6,297,429	5,990,803
Pension reserve	16	(1,698,000)	(1,039,000)
		4,599,429	4,951,803
Total restricted funds	16	4,599,429	4,951,803
Unrestricted income funds	16	134,698	82,558
		4,734,127	5,034,361
Total funds		4,734,127	5,034,361

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

A handwritten signature in black ink, appearing to read 'P. Reaney', with a long, sweeping flourish extending to the right.

P Reaney
Chair of Trustees

The notes on pages 27 to 50 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(762,552)	835,058
Cash flows from investing activities	19	(5,774)	(50,827)
Change in cash and cash equivalents in the year		(768,326)	784,231
Cash and cash equivalents at the beginning of the year		1,073,117	288,886
Cash and cash equivalents at the end of the year	20	304,791	1,073,117

The notes on pages 27 to 50 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 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

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

• **Other income**

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income (continued)

• **Transfer on conversion**

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

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

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

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

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

1.8 Stocks

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	16,247	2,400	18,647	16,609
Capital grants	-	542,986	542,986	524,309
	<u>16,247</u>	<u>545,386</u>	<u>561,633</u>	<u>540,918</u>
<i>Total 2018</i>	<u>15,229</u>	<u>525,689</u>	<u>540,918</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the academy trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,782,556	3,782,556	3,645,296
Other DfE Group grants	-	77,126	77,126	34,480
	-	3,859,682	3,859,682	3,679,776
Other government grants				
Local Authority grants	-	-	-	1,892
	-	-	-	1,892
Other funding				
Catering income	-	223,817	223,817	223,334
School visits income	8,761	238,268	247,029	217,937
	8,761	4,321,767	4,330,528	4,122,939
<i>Total 2018</i>	8,588	4,114,351	4,122,939	

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transport income	-	70,961	70,961	68,886
Hire of facilities	30,076	-	30,076	28,801
Consultancy income	24,581	-	24,581	23,364
Student activities income	1,920	73,505	75,425	66,913
Other income	521	8,637	9,158	16,984
	57,098	153,103	210,201	204,948
<i>Total 2018</i>	55,142	149,806	204,948	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	1,758	1,758	255

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Expenditure on fundraising trading activities:					
Allocated support costs	17,106	-	14,618	31,724	-
Educational Operations:					
Direct costs	2,934,720	36,781	500,127	3,471,628	3,365,113
Allocated support costs	579,960	394,075	409,967	1,384,002	1,323,863
Total 2019	3,531,786	430,856	924,712	4,887,354	4,688,976
<i>Total 2018</i>	<i>3,370,701</i>	<i>187,078</i>	<i>1,131,197</i>	<i>4,688,976</i>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Operations	3,471,628	1,384,002	4,855,630	4,688,976
<i>Total 2018</i>	<i>3,365,113</i>	<i>1,323,863</i>	<i>4,688,976</i>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
LGPS pension interest cost (£84,000) less return on assets (£54,000)	30,000	30,000
Staff costs	2,893,047	2,803,958
Other staff costs	41,724	28,414
Educational supplies	76,406	94,213
Examination fees	85,913	84,758
Staff development	8,355	10,194
Other direct costs	86,838	99,112
Depreciation	36,781	32,405
School visits expenditure	212,564	182,059
	3,471,628	3,365,113

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	579,960	538,562
Depreciation	208,427	183,651
Recruitment and support	49,471	8,012
Maintenance of premises and equipment	45,566	42,414
Cleaning	12,044	9,727
Rates	39,958	32,141
Energy costs	70,687	70,391
Insurance	17,392	16,888
Transport	69,194	68,091
Catering	138,526	138,476
Other support costs	135,489	201,527
Governance costs	17,288	13,983
	1,384,002	1,323,863

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	28,652	26,603
Depreciation of tangible fixed assets	245,208	216,056
Fees paid to auditors for:		
- audit	7,100	6,695
- other services	9,343	6,223
	270,303	255,577

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,671,294	2,437,688
Social security costs	246,621	236,478
Pension costs	572,198	668,354
	3,490,113	3,342,520
Agency staff costs	41,673	28,181
	3,531,786	3,370,701

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	61	58
Administration and support	109	92
Management	4	4
	174	154

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>2</i>
In the band £90,001 - £100,000	1	<i>1</i>
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff members amounted to £37,118 (2018 - £36,570).

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 £462,148 (2018 - £453,576). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

C J Marten (Head Teacher and Trustee)

Remuneration £90,000 - £95,000 (2018: £90,000 - £95,000)

Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

G Walters (Staff Trustee)

Remuneration £25,000 - £30,000 (2018: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

A D Alonzi (Staff Trustee)

Remuneration £50,000 - £55,000 (2018: £45,000 - £50,000)

Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Trustees' and officers' insurance

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

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018	6,754,590	121,998	86,684	403,402	7,025	7,373,699
Additions	317,404	185,630	-	50,085	-	553,119
Disposals	-	-	-	-	(7,025)	(7,025)
At 31 August 2019	<u>7,071,994</u>	<u>307,628</u>	<u>86,684</u>	<u>453,487</u>	<u>-</u>	<u>7,919,793</u>
Depreciation						
At 1 September 2018	985,542	89,863	85,333	337,725	5,210	1,503,673
Charge for the year	183,206	20,705	320	40,743	234	245,208
On disposals	-	-	-	-	(5,444)	(5,444)
At 31 August 2019	<u>1,168,748</u>	<u>110,568</u>	<u>85,653</u>	<u>378,468</u>	<u>-</u>	<u>1,743,437</u>
Net book value						
At 31 August 2019	<u><u>5,903,246</u></u>	<u><u>197,060</u></u>	<u><u>1,031</u></u>	<u><u>75,019</u></u>	<u><u>-</u></u>	<u><u>6,176,356</u></u>
At 31 August 2018	<u><u>5,769,048</u></u>	<u><u>32,135</u></u>	<u><u>1,351</u></u>	<u><u>65,677</u></u>	<u><u>1,815</u></u>	<u><u>5,870,026</u></u>

See note 1.3 regarding assets transferred on conversion.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	3,563	9,176
Other debtors	46,031	22,420
Prepayments and accrued income	65,668	81,817
VAT recoverable	56,703	76,628
	171,965	190,041
	171,965	190,041

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	46,184	130,391
Other taxation and social security	63,504	56,789
Other creditors	10,954	13,475
Accruals and deferred income	100,343	859,168
	220,985	1,059,823
	220,985	1,059,823

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	568,020	44,471
Resources deferred during the year	75,860	568,020
Amounts released from previous periods	(568,020)	(44,471)
	75,860	568,020
	75,860	568,020

The closing balance of deferred income relates to trip income, charitable donations and rates received in advance of the 2019/20 academic year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Other funding represents funds received in respect of educational visits and events, trading activities, catering operations and pledges paid for work on the Sports Hall. The carry forward balance represents unspent funds at the year end.

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

Restricted fixed assets

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

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds					
General funds	73,648	79,214	(19,477)	(50,827)	82,558
Restricted general funds					
General Annual Grant (GAG)	7,723	3,645,296	(3,573,087)	-	79,932
Pupil Premium	38,844	34,480	(73,324)	-	-
Other government grants	-	1,892	(1,892)	-	-
Other funding	118,496	582,489	(660,140)	-	40,845
Pension reserve	(1,150,000)	-	(145,000)	256,000	(1,039,000)
	(984,937)	4,264,157	(4,453,443)	256,000	(918,223)
Restricted fixed asset funds					
DfE Group capital grants	2,906,246	524,309	(216,056)	-	3,214,499
Transfer from Local Authority	2,445,917	-	-	-	2,445,917
Capital expenditure from GAG	152,238	-	-	50,827	203,065
Other donations	5,165	1,380	-	-	6,545
	5,509,566	525,689	(216,056)	50,827	5,870,026
Total Restricted funds	4,524,629	4,789,846	(4,669,499)	306,827	4,951,803
Total funds	4,598,277	4,869,060	(4,688,976)	256,000	5,034,361

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	216,766	180,084
Adjustments for:		
Depreciation	245,208	216,056
Interest receivable	(1,758)	-
Capital grants from DfE and other capital income	(545,386)	(525,689)
Loss on disposal of tangible fixed assets	1,380	-
Defined benefit pension scheme cost less contributions payable	112,000	115,000
Defined benefit pension scheme finance cost	30,000	30,000
Decrease/(increase) in debtors	18,076	(30,471)
(Decrease)/increase in creditors	(838,838)	850,078
Net cash (used in)/provided by operating activities	(762,552)	835,058

19. Cash flows from investing activities

	2019 £	2018 £
Interest receivable	1,758	-
Purchase of tangible fixed assets	(553,119)	(576,516)
Proceeds from the sale of tangible assets	201	-
Capital grants from DfE and other capital income	545,386	525,689
Net cash used in investing activities	(5,774)	(50,827)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	304,791	1,073,117
Total cash and cash equivalents	304,791	1,073,117

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>32,900</u>	<u>504,632</u>

22. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 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

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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%.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £332,406 (2018 - £320,070).

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 Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £162,000 (2018 - £153,000), of which employer's contributions totalled £127,000 (2018 - £118,000) and employees' contributions totalled £ 35,000 (2018 - £35,000). The agreed contribution rates for future years are 24.4-25.4 per cent for employers and 5 -12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.9	3.0
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.4

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.4	22.5
Females	23.6	24.7
<i>Retiring in 20 years</i>		
Males	22.4	24.3
Females	25.0	26.7

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

Sensitivity analysis

	2019	<i>2018</i>
	£000	<i>£000</i>
Discount rate -0.5%	508	<i>377</i>
Salary increase rate +0.5%	76	<i>65</i>
Pension increase rate +0.5%	421	<i>307</i>
	 	<i> </i>

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

	At 31	<i>At 31 August</i>
	August 2019	<i>2018</i>
	£	<i>£</i>
Equities	1,293,000	<i>1,176,000</i>
Corporate bonds	551,000	<i>411,000</i>
Property	255,000	<i>224,000</i>
Cash and other liquid assets	21,000	<i>56,000</i>
	2,120,000	<i>1,867,000</i>

The actual return on scheme assets was £119,000 (2018 - £78,000).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

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 2018 for the year to 31 August 2019, or date of joining the fund if later).

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

	2019 £	2018 £
Current service cost	(211,000)	(233,000)
Past service cost	(28,000)	-
Interest income	54,000	43,000
Interest cost	(84,000)	(73,000)
Total amount recognised in the Statement of Financial Activities	(269,000)	(263,000)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	2,906,000	2,813,000
Current service cost	211,000	233,000
Interest cost	84,000	73,000
Employee contributions	35,000	35,000
Actuarial losses/(gains)	583,000	(221,000)
Benefits paid	(29,000)	(27,000)
Past service costs	28,000	-
At 31 August	3,818,000	2,906,000

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

	2019 £	2018 £
At 1 September	1,867,000	1,663,000
Interest income	54,000	43,000
Actuarial gains	66,000	35,000
Employer contributions	127,000	118,000
Employee contributions	35,000	35,000
Benefits paid	(29,000)	(27,000)
At 31 August	2,120,000	1,867,000

23. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	21,101	28,652
Later than 1 year and not later than 5 years	29,636	50,737
	50,737	79,389

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. 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.

25. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

26. Connected charities

The Parent Teacher Association raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the school. The charity's net assets/reserves at the 31 August 2019 were £3,072. The charity's gross income for the year to 31 August 2019 was £4,211, its expenditure was £10,023 and its deficit for the year was £5,812.