

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

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

---

**CONTENTS**

---

	Page
<b>Reference and administrative details of the academy, its trustees and advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 10
<b>Governance statement</b>	11 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Trustees' responsibilities statement</b>	16
<b>Independent auditor's report</b>	17 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities</b>	21 - 22
<b>Balance sheet</b>	23
<b>Cash flow statement</b>	24
<b>Notes to the financial statements</b>	25 - 43

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES  
AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

---

<b>Members</b>	Roger Beese, Chairman Neil Westwood, Founder Member/Vice Chairman <sup>1,2</sup> Anthony Lane, Founder Member Karen Ridley, Appointed Founder Member Claire Gallagher, Appointed Founder Member Ian Mander, Appointed Founder Member
<b>Trustees</b>	Joanna Manson, Principal and Accounting Officer Dr. Michael Emery, Responsible Officer <sup>1,2</sup> Bernard Bustin, Parent Governor (appointed 7 October 2014) <sup>1,2</sup> Alison Durnall, Staff Governor <sup>1,2</sup> Steven Male, Parent Governor Rebecca Leigh, Teacher Governor Robert Monk (resigned 30 September 2014) Wendy Rigby (resigned 16 December 2014) Sally Ordway (resigned 12 September 2014)

<sup>1</sup> Members of the Finance and Resources Committee

<sup>2</sup> Members of the Audit Committee

**Company registered  
number**

07817806

**Principal and registered  
office**

The High Arcal Academy Trust  
High Arcal Drive  
Dudley  
West Midlands  
DY3 1BP

**Company secretary**

Stephanie Brown

**Senior management  
team**

Joanna Manson, Principal  
Joanne Bull, Senior Deputy Head  
Sukhjot Dhani, Deputy Head  
David Cooke, Deputy Head  
Hayley Shingler, Senior Teacher i/c Parent Partnerships  
Simon Tilley, Assistant Head  
Stephen Tomlinson, Assistant Head  
Barry Kitto, Business Director (retired 31 August 2015)  
Amy Majhu, Director of Finance & Resources

**Independent auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES  
AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**Administrative details (continued)**

<b>Bankers</b>	Lloyds Bank plc 309983 Branch Wolverhampton PO Box 1000 BX1 1LT
----------------	---

---

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

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

The Trustees present their annual report together with the audited financial statements and auditor's reports of the charitable company for the period 1 September to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in North Dudley. It has a pupil capacity of 1242 and had a roll of 1119 in the school census in October 2015.

**Structure, governance and management**

**CONSTITUTION**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The High Arcal School Academy Trust are also the directors and governors of the charitable company for the purposes of company law. The charitable company is known as The High Arcal School Academy Trust.

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

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

The academy has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Details of the costs can be found in note 13 of the accounts.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The members of the academy trust are responsible for the appointment of trustees except three parent trustees and three staff trustees who will be appointed through an election process directed by the board of trustees. In the event that these positions are not filled, the members of the trust are able to appoint to these positions.

---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy trust and attend a briefing and receive an induction pack on the role and responsibilities of trustees.

During 2014-15, trustees took part in a comprehensive programme of training:

- Critical Governance Advance – October 2014;
- Human Resources – Roles and Responsibilities for Governing Bodies – October 2014;
- School Improvement Cycle, monitoring and challenge – October 2014;
- Leading Your Governing Body Part 1 & 2 – November & December 2014;
- Critical Governance – November 2014;
- Performance Related Pay – January 2015;
- School Leadership – January 2015;
- RAISE online – February 2015;
- Quality of Teaching – February 2015;
- Financial Efficiency – February 2015;
- Promoting 'British Values' – March 2015;
- Exclusions - March 2015;
- Supporting HR Complaints & Investigations – Process & Practicalities – March 2015;
- Governor Training – April, May and June 2015;
- Headteacher Performance Management – July 2015.

**ORGANISATIONAL STRUCTURE**

The governance of the academy trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

All trustees are members of the full board of trustees. In addition, trustees are members of committees who report to the full board of trustees. There are 3 trustees committees.

The Finance and Resources committee reports to the full board of trustees on finance, premises and related issues. The Personnel and Teaching, Learning and Curriculum committees report to the full board of trustees. The full board of trustees meets on at least 3 occasions per year.

Terms of reference exist for each committee which are reviewed annually.

The day to day running of the academy is delegated to the trust/board of trustees under the leadership of the Headteacher, Mrs. Jo Manson, who is the Accounting Officer.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There are no connected organisations or related party relationships to the trustees.

---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**Objectives and Activities**

**OBJECTS AND AIMS**

The academy trust's object is to advance for the public benefit education for children aged 11 to 16 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The trustee's vision is to create a culture of high expectations and high aspirations to extend lifetime opportunities for young people and to do everything possible to encourage this. The proportion of students on roll with disabilities or Special Educational Needs is much higher than the average school nationally. These students, including those who attend the academy's base for Autistic students, achieve well and contribute to a culture where everyone is accepted and has a part to play.

Students are offered a highly supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students' achievement is improving in all subjects including English and mathematics. There are many opportunities for students to extend their sporting, artistic and musical accomplishments.

The academy fosters personal development that enables students to become articulate, confident, resilient leaders and team workers, able to meet the challenges of an unknown future and to contribute to their local, national and global communities as good citizens. Key to this aim is the contribution made by community partners with which the academy has strong and strengthening relationships. Examples of community partners include local and national businesses, primary schools (the North Dudley Learning Partnerships is a network community of 16 primaries and 4 secondary schools) and Dudley College. The academy is a strong partner in two teaching school alliances, Thomas Telford School and Tudor Grange Academy.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The academy's objectives for the year ended 31 August 2015 were to increase levels of progress and achievement of all students through: the focussed development of every member of staff improving the quality of teaching to consistently good or better; an overhaul of the curriculum and school day for first teaching from September 2015; continue to develop leadership at all levels. More specifically:

- Develop and refine all data systems, particularly with respect to student progress;
- Complete overhaul of Behaviour for Learning referral system;
- Re-launch of School Charter completed by a working group of staff and students;
- Complete overhaul of systems to support student attendance;
- Development of the Personalised Learning Centre and its bespoke curriculum for targeted students with emotional, social and behavioural difficulties;
- Rebranding and development of the PSHEE curriculum to be supported by Enrichment Days;
- Increase in 1:1 literacy support in the Student Support Centre;
- Change to a 2 year KS3 and a 3 year KS4;
- Change from 4 lessons to 5 lessons a day;
- More curriculum time given to English, mathematics and science over the two key stages;
- Additional language introduced at KS3;
- More time for music, drama and MFL at KS3;
- Training and upskilling of TAs and HLTAs;
- Introduction of new Learning Support Plans;
- Introduction of new Work Related Learning and Life Skills programmes;
- Extensive CPD for staff focussing on planning, literacy, use of questioning to deepen understanding application of the Marking Policy to provide high quality feedback;
- Review and improved appraisal procedures in place;

---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

- 6 weekly monitoring of curriculum areas by SLT line managers to drive improvement and secure accountability of leaders at every level;
- Continue to provide bespoke CPD for middle leaders to increase capacity to hold team members to account through sharply focussed QA systems.

**PUBLIC BENEFIT**

The academy trust will promote for the benefit of inhabitants of Sedgley and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The academy trust 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 of duties.

---

**Strategic report**

**Achievements and performance**

The academic examination results for the academy trust are set out in the table below:

1. Results showing year on year comparison from 2013 to 2015 for GCSE (KS4) results:

<b>Results</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
5+ A*- C including English/maths	47%	46%	51%
A*- C in English	52%	66%	68%
3 levels progress in English	47%	67%	69%
4 levels progress in English	19%	24%	28%
A* - C in maths	67%	67%	63%
3 levels progress in maths	65%	67%	60%
4 levels progress in maths	24%	24%	21%
Attendance	93%	93%	93.4%

**KEY PERFORMANCE INDICATORS**

- A key priority for 2014-15 was to improve literacy across the academy. As a result of a range of highly effective interventions, provisions and projects, all groups of students in year 7 and 8 made at least expected progress in English and lower ability students made beyond expected progress. GCSE results show that students make good progress in English, a contributing factor being that literacy strategies are embedded across all subjects and are a feature of all lessons (HMI monitoring May 2015).
- Another key priority was to ensure that provision, teaching and learning and assessment enable every student to achieve. All performance indications show the very positive impact of bespoke provisions on the targeted students in 2014-15. The development and establishment of a new assessment framework will support a new curriculum delivered from September 2015. This includes three separate sciences for all.



---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

- The continuing professional development of staff is key to ensuring that capacity continues to build in order to improve teaching and learning and leadership at all levels. Outcomes in 2015 demonstrates sustained improvements in English, mathematics and science and further reductions in progress and attainment gaps. Highly qualified staff have been recruited to join the core teaching teams in 2015-16. External support in 2014-15 has been highly effective in supporting leadership and management at all levels (HMI monitoring May 2015). A new Leadership Manual and Improvement Through Partnerships Plan produced in 2014-15 will be reviewed annually.

### **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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial review**

The trust's financial position demonstrates total income of £7,029,923 with a deficit at 31 August 2015 of £(441,904) (including capital grant).

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the academy building, its plant equipment and contents.

A strategic capital plan is prepared and reviewed each year by the trustees in order that reserves can be prioritised and spent according to the needs of the academy.

The principal financial management policies adopted in the year are:

- Conducting regular financial reviews of income and expenditure versus planned budgets at the Trustees' Finance and Resources Committee meetings;
- Consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the academy's educational obligations;

Reserves carried forward at 31 August 2015 will be utilised as part of the medium and long term plans of the academy to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

### **RESERVES POLICY**

The trustees review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will keep the level of reserves under review.

The level of reserves held at 31 August 2015 total £8,259,645. The reserves will be allocated and spent as part of School Improvement Plan to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the academy for which reserves will be allocated and determined in order of priority to meet the needs of the academy.

---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

At 31 August 2015 the total funds comprised:

Unrestricted		90,553
Restricted:	Fixed asset funds	9,071,418
	GAG	-
	Pension reserve	(1,060,000)
	Other	<u>157,674</u>
		<u><u>8,259,645</u></u>

**INVESTMENT POLICY**

The school does have an investment policy approved at the finance committee on 9 December 2013.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The academy trust has implemented a Risk Management Policy and created a risk register which is reviewed in October, February and July of each academic year. Where it is considered necessary measures of control and mitigation, are put in place in order to manage risk.

The principal risks are risk of impact of an uncontrollable event, fraud, health and safety and risk associated with trustee expertise.

Key controls in place are:

- Disaster management plan
- Fraud risk plan
- Regular changing of passwords
- Financial handbook
- Bank controls
- Adequate Insurance
- Health & Safety Policy
- Risk assessments and risk register

The academy trust has recognised its share of the local government pension scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard 17. A deficit has been recognised at 31 August 2015. Future contribution rates are adjusted so as to reduce this deficit.

The trustees have assessed the major risks to which the academy trust is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

A formal review of the trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity;
- Terms of reference for all board of trustees and delegated committees under the direction of the board of trustees;
- Pecuniary interests of trustees reviewed at each meeting;
- Comprehensive budgeting and management reporting;
- Established organisational structure and clear lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and vetting procedures as required by law for the protection of the vulnerable.

---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**Plans for future periods**

**FUTURE DEVELOPMENTS**

The aim is to provide a structure for continuous improvement and data for student progress year on year demonstrates improvements.

The academy trust is a partner in two Teaching School Alliances (Thomas Telford and Tudor Grange Academy) and as part of its development provides school to school support via the SLE initiative and initial teacher training. This is outlined in the Improvement Through Partnerships document.

Whole School objectives and plans for the 2015-16 year, as described in detail in the School Improvement Plan 2015-17 include:

1. Secure the successful implementation of the new curriculum 2015-16.
2. Implement the new assessment framework and ensure that it fully supports the new curriculum to deliver accelerated progress.
3. Embed the principles of the School Charter in every aspect of academy life; ensure all staff apply all aspects of the Behaviour for Learning Policy.
4. Capitalise on partnerships with professionals, other schools and alliances to drive forward continuous improvement across the academy; secure the development of high quality sporting facilities for use by the school and the community.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The academy trust operates a School Fund account with a separate accounting system and bank account, for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income and expense and fund balances are included in the year end accounts of the academy for the period ending 31 August 2015. The academy trust also operates a Business Account to manage income due to its business activity.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

---

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

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**AUDITOR**

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 8 December 2015 and signed on the board's behalf by:

Neil Westwood  
Vice Chairman  
Trustee

Roger Beese  
Chairman  
Trustee

---

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

---

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that The High Arcal 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 Principal, 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 The High Arcal 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 board of trustees conducted our initial review in July 2014 with the assistance of Mrs Annette Edkins (NGL), which was completed during January 2015. The process enabled trustees and the senior leadership team to be more closely involved in the strategic direction and governance of the school. We have established 'Link Governors' for main subject performance reviews; involved trustees to review key elements of the School Improvement Plan; and appointed a CPD trustee training officer.

The Principal and Chair of trustees collated an internal self-review of governors in February 2015. The board of trustees have now established this as an annual process and it is currently being written for submission to include at our next full board of trustees meeting in January 2016.

A skills audit of trustees was reviewed in October 2015. Our newly elected trustee training manager, Claire Gallagher, confirmed that our trustees have a good spread of skills and abilities to comprehend the complexities of school teaching and learning and are able to positively contribute to the management and strategic leadership of the school.

The information on governance included here supplements that described in the Trustees' report and in the Trustees' Responsibilities statement. 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
Roger Beese, Chairman	4	4
Neil Westwood Vice Chairman	4	4
Anthony Lane	3	4
Karen Ridley	4	4
Claire Gallagher	4	4
Ian Mander	3	4
Joanna Manson, Principal and Accounting Officer	4	4
Dr. Michael Emery, Responsible Officer	4	4
Bernard Bustin, Parent Governor (appointed 7 October 2014)	1	2
Alison Durnall, Staff Governor	3	3
Steven Male, Parent Governor	1	4
Rebecca Leigh, Teacher Governor (appointed 9 September 2014)	2	3

---

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

---

**GOVERNANCE STATEMENT (continued)**

---

During 2014-15, when the academy was in 'special measures', all members of the board of trustees provided robust challenge and support to the Principal and senior leaders evidenced in extensive documentation provided at each HMI monitoring visit. Ofsted monitoring reports noted the increasingly effective leadership of the board of trustees throughout 2014-15. Special measures were removed in November 2015 and the academy received a 'good' judgement in all areas

The Finance and Resources Committee is a sub-committee of the main board of trustees, its purpose is to approve the Business Plan, audit of accounts and other related financial matters.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Neil Westwood	5	5
Bernard Bustin	3	4
Dr. Michael Emery (by invitation)	4	5
Alison Durnall	5	5

- A benchmarking review was conducted by our finance team during October 2015, which compared our academy's costs/student across several items, with those of other similar academy's to ours. Grant funding, teaching staff costs/students and educational support staff were highlighted, showing value for money from most of our spending.
- The committee have endorsed and supported a request for funding to the CIF to refurbish the drainage of our playing fields and to establish a new sports hall. Unfortunately, we missed the cost/benefit criteria level and failed on this occasion. However, it was suggested that we re-apply in 2016.
- Ofsted's determination of 'special measures,' carried with it a belief that our school lacked depth and capacity to get out of 'special measures.' Therefore the senior team was restructured and additional staff and external consultants were engaged, having significant financial implications during 2014. Special intervention resources were also agreed and implemented to impact on student performance. The committee has done extremely well to manage and maintain a positive budget in 2014.

The Finance and Resources Committee carries out the duties of an audit committee. Its purpose is to receive the audit reports and to ensure that matters raised are acted upon and rectified were necessary.

During the period 14-15, the Business Director, Mr. Kitto retired. The Finance and Resources Committee has been supportive of Ms. Majhu (Director of Finance & Resources), through her induction as Mr. Kitto's replacement.

**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Principal 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 for the academy trust has delivered improved value for money during the year by:

- Carrying out an audit of the curriculum in operation in 2014-15 including staffing costs. As a result of this audit a complete overhaul of the curriculum has taken place, supported by a change from 4 to 5 lessons a day, a change to a 2 year KS3 and 3 year KS4 and underpinned by a revised assessment and reporting system.
- Prioritising site works and created a rolling programme for the next three years
- Reviewing suppliers to ensure best value for money.
- Creating Improvement Through Partnerships Plan to generate income.

---

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

---

**GOVERNANCE STATEMENT (continued)**

---

**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 The High Arcal School Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of 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 Dr. Michael Emery, a Trustee, as Responsible Officer (RO).

The RO'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 of payroll systems;
- testing of purchase systems;
- testing of control account/bank reconciliations;
- testing of insurance;
- invoicing; and
- lettings.

On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

---

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

---

**GOVERNANCE STATEMENT (continued)**

---

The RO has visited on several occasions throughout the financial year and reports were provided to the Finance and Resources Committee. There were no material control issues arising as a result of the RO's work. All minor recommendations have been implemented where suitable.

**REVIEW OF EFFECTIVENESS**

As accounting officer, the Principal 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources 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 8 December 2015 and signed on its behalf, by:

Joanna Manson  
Principal and Accounting Officer

Roger Beese  
Chairman  
Trustee



---

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

---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As accounting officer of The High Arcal School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 (2014).

I confirm that I and the academy trust board of trustees are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2014).

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

Joanna Manson  
Principal and Accounting Officer

Date: 8 December 2015

---

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

---

**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 8 December 2015 and signed on its behalf by:

Roger Beese  
Chairman  
Trustee

---

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

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HIGH ARCAL SCHOOL ACADEMY TRUST**

---

We have audited the financial statements of The High Arcal School Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

---

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

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HIGH ARCAL SCHOOL ACADEMY TRUST**

---

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Rebecca Hughes BSc(Hons) FCCA (Senior statutory auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB  
17 December 2015

---

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

---

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

---

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The High Arcal School Academy Trust during the year 1 September 2014 to 31 August 2015 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 The High Arcal School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The High Arcal School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The High Arcal School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE HIGH ARCAL SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The High Arcal School Academy Trust's funding agreement with the Secretary of State for Education dated 28 November 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

---

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

---

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

---

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines; and
- making appropriate enquiries of the Accounting Officer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

17 December 2015

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	3	-	35,863	-	35,863	-
Activities for generating funds	4	33,808	-	-	33,808	37,124
Investment income	5	636	1,000	-	1,636	710
Incoming resources from charitable activities:						
Funding for academy's educational operations	6	-	6,958,616	-	6,958,616	7,253,980
<b>TOTAL INCOMING RESOURCES</b>		<b>34,444</b>	<b>6,995,479</b>	<b>-</b>	<b>7,029,923</b>	<b>7,291,814</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income		-	27,692	-	27,692	-
Fundraising expenses and other costs		39,855	-	-	39,855	9,772
Charitable activities:						
Academy trust educational operations	8	-	7,039,183	354,438	7,393,621	7,457,861
Governance costs	9	-	10,659	-	10,659	9,387
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>39,855</b>	<b>7,077,534</b>	<b>354,438</b>	<b>7,471,827</b>	<b>7,477,020</b>
<b>NET RESOURCES EXPENDED BEFORE TRANSFERS</b>		<b>(5,411)</b>	<b>(82,055)</b>	<b>(354,438)</b>	<b>(441,904)</b>	<b>(185,206)</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	20	(175,726)	140,577	35,149	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>(181,137)</b>	<b>58,522</b>	<b>(319,289)</b>	<b>(441,904)</b>	<b>(185,206)</b>
Actuarial gains and losses on defined benefit pension schemes		-	(163,000)	-	(163,000)	58,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(181,137)</b>	<b>(104,478)</b>	<b>(319,289)</b>	<b>(604,904)</b>	<b>(127,206)</b>
Total funds at 1 September 2014		271,690	(797,848)	9,390,707	8,864,549	8,991,755
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>90,553</b>	<b>(902,326)</b>	<b>9,071,418</b>	<b>8,259,645</b>	<b>8,864,549</b>

All activities relate to continuing operations.

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

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



**THE HIGH ARCAL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07817806**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>9,027,449</b>		9,346,746
<b>CURRENT ASSETS</b>					
Stocks	15	<b>2,620</b>		-	
Debtors	16	<b>261,900</b>		330,420	
Cash at bank and in hand		<b>382,516</b>		392,940	
			<u><b>647,036</b></u>	<u>723,360</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	<b>(354,840)</b>		<b>(391,557)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>292,196</b></u>		<u>331,803</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>9,319,645</b></u>		<u>9,678,549</u>
Defined benefit pension scheme liability	18		<u><b>(1,060,000)</b></u>		<u>(814,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u><b>8,259,645</b></u></u>		<u><u>8,864,549</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	20	<b>157,674</b>		16,152	
Restricted fixed asset funds	20	<b>9,071,418</b>		9,390,707	
			<u><b>9,229,092</b></u>	<u>9,406,859</u>	
Restricted funds excluding pension liability					
Pension reserve		<b>(1,060,000)</b>		<b>(814,000)</b>	
			<u><b>8,169,092</b></u>	<u>8,592,859</u>	
Total restricted funds			<u><b>8,169,092</b></u>	<u>8,592,859</u>	
Unrestricted funds	20		<u><b>90,553</b></u>	<u>271,690</u>	
<b>TOTAL FUNDS</b>			<u><u><b>8,259,645</b></u></u>	<u><u>8,864,549</u></u>	

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:

Roger Beese  
Chairman

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

---

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

---

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

	<b>Note</b>	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Net cash flow from operating activities	23	<b>24,081</b>	487,988
Returns on investments and servicing of finance		<b>636</b>	710
Capital expenditure and financial investment		<b>(35,141)</b>	(240,244)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(10,424)</b>	248,454

---

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

		<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
(Decrease)/Increase in cash in the year		<b>(10,424)</b>	248,454
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>		<b>(10,424)</b>	248,454
Net funds at 1 September 2014		<b>392,940</b>	144,486
<b>NET FUNDS AT 31 AUGUST 2015</b>	25	<b>382,516</b>	392,940

---

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**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 one year from the date of approval of the financial statements.

**1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**• Grants receivable**

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

**• Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

**• Donations**

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

**• Other income**

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**• Costs of generating funds**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**• Charitable activities**

Charitable activities are costs incurred in the academy trust's educational operations.

**• Governance costs**

Governance costs include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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

Freehold property	-	2% straight line
Equipment	-	20% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33.3% straight line

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**1. ACCOUNTING POLICIES (continued)**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**1.6 Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

**1.8 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 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 and the assets are held separately from those of the academy trust.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.10 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2015.

**3. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Trip income	-	<b>35,863</b>	<b>35,863</b>	-

**4. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Rental income	<b>6,943</b>	-	<b>6,943</b>	10,473
Other income	<b>26,865</b>	-	<b>26,865</b>	26,651
	<b>33,808</b>	-	<b>33,808</b>	37,124

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**5. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	636	-	636	710
FRS 17 pension income	-	1,000	1,000	-
	<u>636</u>	<u>1,000</u>	<u>1,636</u>	<u>710</u>

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General annual grant (GAG)	-	6,019,812	6,019,812	6,077,780
Other Dfe/EFA grants	-	45,245	45,245	22,750
SEN allocation	-	191,363	191,363	219,598
Pupil premium	-	393,916	393,916	346,757
Capital grants	-	-	-	194,301
	<u>-</u>	<u>6,650,336</u>	<u>6,650,336</u>	<u>6,861,186</u>
<b>Other government grants</b>				
SEN income - LA	-	1,700	1,700	-
Teacher recharges	-	25,853	25,853	46,241
Other income	-	625	625	48,216
Pupil premium - LA	-	40,783	40,783	-
	<u>-</u>	<u>68,961</u>	<u>68,961</u>	<u>94,457</u>
<b>Other funding</b>				
School funds	-	225,687	225,687	282,388
Music tuition	-	13,632	13,632	15,949
	<u>-</u>	<u>239,319</u>	<u>239,319</u>	<u>298,337</u>
	<u>-</u>	<u>6,958,616</u>	<u>6,958,616</u>	<u>7,253,980</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**7. RESOURCES EXPENDED**

	<b>Staff costs</b>	<b>Non Pay Premises</b>	<b>Expenditure Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Costs of generating voluntary income	-	-	27,692	27,692	-
Costs of activities for generating funds	-	-	39,855	39,855	9,772
<b>Costs of generating funds</b>	<b>-</b>	<b>-</b>	<b>67,547</b>	<b>67,547</b>	<b>9,772</b>
Direct costs	4,885,548	-	616,910	5,502,458	5,655,989
Support costs	718,559	711,242	461,362	1,891,163	1,801,872
<b>Charitable activities</b>	<b>5,604,107</b>	<b>711,242</b>	<b>1,078,272</b>	<b>7,393,621</b>	<b>7,457,861</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>10,659</b>	<b>10,659</b>	<b>9,387</b>
	<b>5,604,107</b>	<b>711,242</b>	<b>1,156,478</b>	<b>7,471,827</b>	<b>7,477,020</b>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**8. CHARITABLE ACTIVITIES**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	<b>4,086,977</b>	4,104,875
National insurance	<b>272,256</b>	284,398
Pension cost	<b>526,315</b>	533,112
Educational supplies	<b>162,200</b>	272,463
Staff development	<b>49,842</b>	17,049
Educational trips	<b>8,370</b>	31,366
Recruitment costs	<b>14,157</b>	17,712
Staff expenses	<b>12,098</b>	13,820
Examination fees	<b>75,286</b>	82,022
Other costs	<b>294,957</b>	299,172
	<b>5,502,458</b>	5,655,989
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	<b>504,344</b>	494,713
National insurance	<b>21,116</b>	23,275
Pension cost	<b>193,099</b>	124,386
Depreciation	<b>354,438</b>	351,161
FRS17 pension cost	<b>-</b>	17,000
Recruitment costs	<b>41,020</b>	34,726
Insurance	<b>47,779</b>	47,556
Maintenance of premises and equipment	<b>200,398</b>	230,057
Cleaning	<b>18,666</b>	16,854
Rent and rates	<b>37,233</b>	35,342
Light and heat	<b>100,507</b>	84,406
Security and transport	<b>6,359</b>	-
Catering	<b>83,995</b>	54,266
Legal and professional fees	<b>223,605</b>	230,213
Other costs	<b>58,604</b>	57,917
	<b>1,891,163</b>	1,801,872
	<b>7,393,621</b>	7,457,861

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**9. GOVERNANCE COSTS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Audit fees	-	8,250	8,250	7,875
Legal and professional fees	-	2,409	2,409	1,512
	<u>-</u>	<u>10,659</u>	<u>10,659</u>	<u>9,387</u>

**10. NET RESOURCES EXPENDED**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	354,438	351,161
Auditor's remuneration	8,250	7,875
	<u>362,688</u>	<u>359,036</u>

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,344,546	4,416,285
Social security costs	293,372	307,673
Other pension costs (Note 18)	719,414	657,498
	<u>5,357,332</u>	<u>5,381,456</u>
Supply teacher costs	246,775	183,303
	<u>5,604,107</u>	<u>5,564,759</u>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**11. STAFF (continued)**

**b. Staff numbers**

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

	<b>2015</b>	2014
	<b>No.</b>	No.
Teachers	<b>67</b>	79
Administration and support	<b>73</b>	69
Management	<b>8</b>	8
	<hr/> <b>148</b> <hr/>	<hr/> 156 <hr/>

**c. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2015</b>	2014
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>2</b>	3
In the band £70,001 - £80,000	<b>1</b>	1
In the band £90,001 - £100,000	<b>1</b>	1
	<hr/> <b>4</b> <hr/>	<hr/> 5 <hr/>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these employees amounted to £41,564 (2014 - £50,824).

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**12. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
J Manson (Principal and Trustee):		
Remuneration	<b>90,000 - 95,000</b>	90,000 - 95,000
Employer's pension contributions	<b>10,000 - 15,000</b>	10,000 - 15,000
S Ordway (Staff Trustee):		
Remuneration	<b>Nil</b>	25,000 - 30,000
Employer's pension contributions	<b>Nil</b>	Nil
R Leigh (Staff Trustee):		
Remuneration	<b>25,000 - 30,000</b>	Nil
Employer's pension contributions	<b>0 - 5,000</b>	Nil
A Durnall (Staff Trustee):		
Remuneration	<b>5,000 - 10,000</b>	Nil
Employer's pension contributions	<b>0 - 5,000</b>	Nil

During the year ended 31 August 2015, travel and subsistence expenses totalling £121 (2014 - £Nil) were reimbursed to 1 trustees (2014 - Nil trustees).

**13. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides governors' liability cover up to £10,000,000 on any claim and any one membership year. The cost of the insurance for the year ended 31 August 2015 is included in the total insurance cost of £47,779 (2014 - £47,556) paid under the Department for Education's Risk Protection Arrangement, (RPA). The RPA is not an insurance scheme but is a mechanism through which the costs of risks that materialise from 1 September 2014 are covered by government funds.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Plant and machinery £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>						
At 1 September 2014	8,495,974	53,251	430,931	222,724	946,138	10,149,018
Additions	-	9,162	-	16,479	9,500	35,141
At 31 August 2015	<u>8,495,974</u>	<u>62,413</u>	<u>430,931</u>	<u>239,203</u>	<u>955,638</u>	<u>10,184,159</u>
<b>Depreciation</b>						
At 1 September 2014	460,372	18,649	160,843	126,711	35,697	802,272
Charge for the year	167,408	11,220	86,186	66,903	22,721	354,438
At 31 August 2015	<u>627,780</u>	<u>29,869</u>	<u>247,029</u>	<u>193,614</u>	<u>58,418</u>	<u>1,156,710</u>
<b>Net book value</b>						
At 31 August 2015	<u>7,868,194</u>	<u>32,544</u>	<u>183,902</u>	<u>45,589</u>	<u>897,220</u>	<u>9,027,449</u>
At 31 August 2014	<u>8,035,602</u>	<u>34,602</u>	<u>270,088</u>	<u>96,013</u>	<u>910,441</u>	<u>9,346,746</u>

**15. STOCKS**

	2015 £	2014 £
Finished goods and goods for resale	<u>2,620</u>	<u>-</u>

**16. DEBTORS**

	2015 £	2014 £
Trade debtors	1,148	419
Other debtors	98,627	109,356
Prepayments and accrued income	162,125	220,645
	<u>261,900</u>	<u>330,420</u>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**17. CREDITORS:**

**Amounts falling due within one year**

	<b>2015</b>	2014
	<b>£</b>	£
Trade creditors	<b>59,971</b>	53,169
Other taxation and social security	<b>99,306</b>	99,574
Other creditors	<b>28,263</b>	54,945
Accruals and deferred income	<b>167,300</b>	183,869
	<hr/> <b>354,840</b> <hr/>	<hr/> 391,557 <hr/>

**Deferred income**

Deferred income at 1 September 2014	<b>104,667</b>
Resources deferred during the year	<b>111,185</b>
Amounts released from previous years	<b>(98,172)</b>
	<hr/> <b>117,680</b> <hr/>

Deferred income relates to stated income and PRG from Dudley in advance, deferred Devolved Formula Capital and school trip income received in advance.

**18. PENSION COMMITMENTS**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

**18. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 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 (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £446,511 (2014 - £449,577).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £246,000, of which employer's contributions totalled £180,000 and employees' contributions totalled £66,000. The agreed contribution rates for future years are 11.9% for employers and between 5.5% and 12.5% for employees.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**18. PENSION COMMITMENTS (continued)**

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

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	4.00	1,232,000	7.00	793,000
Bonds	4.00	360,000	3.35	322,000
Property	4.00	175,000	6.20	154,000
Cash	4.00	103,000	0.50	78,000
Alternative Assets	4.00	189,000	7.00	419,000
Total market value of assets		<u>2,059,000</u>		<u>1,766,000</u>
Present value of scheme liabilities		<u>(3,119,000)</u>		<u>(2,580,000)</u>
Deficit in the scheme		<u><u>(1,060,000)</u></u>		<u><u>(814,000)</u></u>

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

The amounts recognised in the Balance Sheet are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Present value of funded obligations	<b>(3,119,000)</b>	(2,580,000)
Fair value of scheme assets	<b>2,059,000</b>	1,766,000
Net liability	<u><u>(1,060,000)</u></u>	<u><u>(814,000)</u></u>

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

	<b>2015 £</b>	<b>2014 £</b>
Interest on obligation	<b>(109,000)</b>	(110,000)
Expected return on scheme assets	<b>110,000</b>	93,000
Gains on curtailments and settlements	<b>(47,000)</b>	-
Current service cost	<b>(217,000)</b>	(207,000)
Total	<u><u>(263,000)</u></u>	<u><u>(224,000)</u></u>
Actual return on scheme assets	<u><u>85,000</u></u>	<u><u>166,000</u></u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**18. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	2014
	<b>£</b>	£
Opening defined benefit obligation	<b>2,580,000</b>	2,265,000
Interest cost	<b>109,000</b>	110,000
Contributions by scheme participants	<b>66,000</b>	66,000
Actuarial losses/(gains)	<b>138,000</b>	(67,000)
Losses on curtailments	<b>47,000</b>	-
Benefits paid	<b>(38,000)</b>	(1,000)
Current service cost	<b>217,000</b>	207,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>3,119,000</b>	2,580,000
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b>	2014
	<b>£</b>	£
Opening fair value of scheme assets	<b>1,766,000</b>	1,461,000
Expected return on assets	<b>110,000</b>	93,000
Actuarial losses	<b>(25,000)</b>	(9,000)
Contributions by employer	<b>180,000</b>	156,000
Contributions by employees	<b>66,000</b>	66,000
Benefits paid	<b>(38,000)</b>	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>2,059,000</b>	1,766,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £105,000 losses (2014 - £14,000 losses).

The academy trust expects to contribute £157,000 to its Defined benefit pension scheme in 2016.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	<b>2015</b>	2014
Discount rate for scheme liabilities	<b>4.00 %</b>	4.00 %
Expected return on scheme assets at 31 August	<b>5.90 %</b>	5.90 %
Rate of increase in salaries	<b>4.20 %</b>	4.00 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.20 %

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**18. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	2014
Retiring today		
Males	<b>23.0</b>	22.9
Females	<b>25.2</b>	25.5
Retiring in 20 years		
Males	<b>25.6</b>	25.1
Females	<b>28.0</b>	27.8

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	<b>2015</b>	2014	2013	2012
	£	£	£	£
Defined benefit obligation	<b>(3,119,000)</b>	(2,580,000)	(2,265,000)	(1,947,000)
Scheme assets	<b>2,059,000</b>	1,766,000	1,461,000	1,104,000
Deficit	<b>(1,060,000)</b>	(814,000)	(804,000)	(843,000)
Experience adjustments on scheme liabilities	-	228,000	-	(148,000)
Experience adjustments on scheme assets	<b>(25,000)</b>	(9,000)	54,000	22,000

**19. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>2015</b>	2014
	£	£
<b>Expiry date:</b>		
Within 1 year	<b>33,736</b>	-
Between 2 and 5 years	<b>7,704</b>	42,236
After more than 5 years	<b>77,276</b>	77,276

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**20. STATEMENT OF FUNDS**

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	271,690	34,444	(39,855)	(175,726)	-	90,553
<b>Restricted funds</b>						
General Annual Grant (GAG)	(39,841)	6,019,812	(6,120,548)	140,577	-	-
Other DfE/EFA grants	-	45,870	(39,375)	-	-	6,495
SEN income	-	193,063	(161,132)	-	-	31,931
Pupil premium	-	434,699	(371,394)	-	-	63,305
GUTP/Teacher recharges	-	25,853	(25,853)	-	-	-
Educational visits	2,250	35,863	(27,694)	-	-	10,419
School fund	53,743	225,687	(233,906)	-	-	45,524
Miscellaneous restricted	-	13,632	(13,632)	-	-	-
Pension reserve	(814,000)	1,000	(84,000)	-	(163,000)	(1,060,000)
	<u>(797,848)</u>	<u>6,995,479</u>	<u>(7,077,534)</u>	<u>140,577</u>	<u>(163,000)</u>	<u>(902,326)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	43,968	-	-	-	-	43,968
Capital expenditure from other funds	1,304,514	-	(173,089)	35,149	-	1,166,574
Capital income transferred from LA	8,042,225	-	(181,349)	-	-	7,860,876
	<u>9,390,707</u>	<u>-</u>	<u>(354,438)</u>	<u>35,149</u>	<u>-</u>	<u>9,071,418</u>
Total restricted funds	<u>8,592,859</u>	<u>6,995,479</u>	<u>(7,431,972)</u>	<u>175,726</u>	<u>(163,000)</u>	<u>8,169,092</u>
Total of funds	<u><u>8,864,549</u></u>	<u><u>7,029,923</u></u>	<u><u>(7,471,827)</u></u>	<u><u>-</u></u>	<u><u>(163,000)</u></u>	<u><u>8,259,645</u></u>

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the EFA.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

---

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

Restricted fixed assets funds amounting to £9,027,449 (2014 - £9,346,746) will be reserved against future depreciation charges, and the remainder of £43,969 relates to unspent capital grants which will be utilised to enhance the Academy's facilities.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

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

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Restricted fixed asset funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Tangible fixed assets	-	-	<b>9,027,449</b>	<b>9,027,449</b>	9,346,746
Current assets	<b>90,553</b>	<b>512,514</b>	<b>43,969</b>	<b>647,036</b>	723,360
Creditors due within one year	-	<b>(354,840)</b>	-	<b>(354,840)</b>	(391,557)
Pension scheme liability	-	<b>(1,060,000)</b>	-	<b>(1,060,000)</b>	(814,000)
	<b>90,553</b>	<b>(902,326)</b>	<b>9,071,418</b>	<b>8,259,645</b>	<b>8,864,549</b>

**22. 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 related party transactions took place in the period of account.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2015</b>	2014
	£	£
Net incoming resources before revaluations	<b>(441,904)</b>	(185,206)
Returns on investments and servicing of finance	<b>(636)</b>	(710)
Depreciation of tangible fixed assets	<b>354,438</b>	351,161
Increase in stocks	<b>(2,620)</b>	-
Decrease in debtors	<b>68,520</b>	108,178
(Decrease)/increase in creditors	<b>(36,717)</b>	146,565
FRS 17 adjustments	<b>83,000</b>	68,000
<b>Net cash inflow from operations</b>	<b>24,081</b>	487,988

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2015</b>	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>636</b>	710
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<b>(35,141)</b>	(240,244)

**25. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>1</b>	<b>Cash flow</b>	<b>31 August</b>
	<b>September</b>		<b>2015</b>
	<b>2014</b>	£	£
	£		£
Cash at bank and in hand:	<b>392,940</b>	<b>(10,424)</b>	<b>382,516</b>
<b>Net funds</b>	<b>392,940</b>	<b>(10,424)</b>	<b>382,516</b>

**26. MEMBERS' LIABILITY**

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