

Registered number: 07952786

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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THE ARCHER ACADEMY
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	Sanjay Maraj, Trust Chair Toby Blume Roger Chapman Jon Hindmarsh (resigned 31 August 2017) Avis Johns, Chair of Governors Sarah Pearce
Trustees	Avis Johns, Chair of Governors Jon Hindmarsh, Governor Sanjay Maraj, Trustee Toby Blume, Trustee Sarah Pearce, Trustee Cathy Halstead, Governor Andry Moustras, Governor Lillian Caller, Governor (resigned 18 July 2017) Patricia Choiral, Governor Anne-Marie Canning, now Associate Member (resigned 17 November 2016) Katherine Klinger, Parent Governor Martin Bright, Parent Governor Alice Humphrey, Staff Governor (resigned 19 January 2017) Ludmila Felic, Staff Governor (resigned 5 September 2017) Bryan Marcus, Governor Joel Romaner, Governor (resigned 18 July 2017) Lucy Harrison, Headteacher Seema Shah, Governor Simran Jouhal, Staff Governor (appointed 16 March 2017) Louise Dobrin-Glaser, Governor (appointed 18 July 2017) Benjamin Whittaker, Governor (appointed 18 July 2017) Gary Bilkus, now Associate Member (appointed 18 July 2017) Johanna Moses, Governor (appointed 18 July 2017) Roger Chapman, Associate Member Ian Warwick, Associate Member
Company registered number	07952786
Company name	The Archer Academy
Principal and registered office	3 Beaumont Close London N2 0GA

THE ARCHER ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary Sarah Pearce

Clerk to the governors Karen Harris

Senior leadership team

Lucy Harrison, Headteacher
Lindsay Gillham, Assistant Headteacher
Oliver Naylor, Assistant Headteacher
Oliver Oakley, Assistant Headteacher
Paul Morrison, Assistant Headteacher (appointed 1 September 2016)
Richard Gillo, Senior Teacher (appointed 1 September 2016)
Leanne Chase, Director of Finance
Leo Latter, Head of SEND/Inclusion (appointed 1 January 2017)
Michele Harrison, Business Manager

Independent auditors MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers Lloyds Bank plc
Threadneedle Street
London
EC2R 8AU

THE ARCHER ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2016 to 31 August 2017. 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 East Finchley and the surrounding area with admissions based on the catchment area. It had a pupil capacity of 600 and had a roll of 597 in the school census on 6 October 2016.

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 Archer Academy Trust Limited are also the directors and governors of the charitable company for the purposes of company law. The Charitable Company is known as the Archer Academy.

Details of the trustees who served throughout the year 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

In accordance with normal practice, Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was covered by the Department of Education's Risk Protection Arrangement, (RPA). It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, procedures were established for the election of staff and parent Governors. Under the terms of the Academy Trust's Articles of Association and Funding Agreement, the Members of the Trust and the Governing Body have powers to appoint Governors.

The Governors undertake a regular skills audit, based on the National Governors' Association model, to appraise existing competencies and identify any areas for development. In addition to this the Chair and Vice-chair(s) of governors look at the membership of the board and succession planning on an annual basis and hold annual governor reviews in early summer each year. Having undertaken the skills audit in the summer 2016 and considered succession planning and governor reviews in 2017, governors determined that the Board needed additional expertise in education, financial management, HR and legal expertise, safeguarding and fundraising. This was not only to allow for succession planning and fill any skill and knowledge gaps, but also to appoint new governors who would bring fresh ideas to the Board.

Governors decided to co-opt three new governors. Responsibility was delegated to three existing governors, a founder governor and two community governors, who considered letters of interest and CVs, and interviewed candidates. The selection panel recommended three individuals to the full governing body for appointment as community governors and they were subsequently appointed at the FGB meeting in July 2017.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governors have established the expectation for the appointment and running of a skilled and dedicated Governing Body. To that end a series of procedures and standards were established in order to set out and operate this framework.

To support and induct new governors a handbook is provided which contains Articles of Association, history and vision of the Archer Academy, guidance from DfE and NGA, a job description and a copy of 'Welcome to Governance' (NGA publication). Further, new governors are offered a 'buddy' – an experienced governor able to act as a sounding board and to offer advice or guidance.

In addition, the Academy benefits from support provided by Governor Services at Local Authority (and associated training) and information from NGA. Governors subscribe to The Key Support for Governors and have attended courses during the period on topics including Special Educational Needs, Pupil Premium, safeguarding, thematic learning and the changing face of governance and governors. Governors also benefit from our collaboration with Kings College London attending events and presentations from thought leaders and globally renowned practitioners.

Organisational Structure

The Governing Body of the Archer Academy is concerned with the strategic management of the Academy. In accordance with section 104 of the Articles of Association the Governors delegate operational management to the Head Teacher in order that she may lead day to day running of the organisation, management and control, including the implementation of policies established by the Governing Body. The Head Teacher is appointed as the Accounting Officer.

The Governing Body has established a committee structure in order to facilitate detailed scrutiny, risk management and development of key areas. Terms of reference for each committee and limits to delegated authority have been established and are reviewed each year.

Committees of the Governing Body:

- Finance and Audit
- Education and Standards
- Pastoral and Wellbeing
- Fundraising and Business Development
- Resources
- Pay

Working Groups of the Governing Body:

- Communications

A member of senior leadership is a member of each committee.

A bi-monthly Committee Chairs' meeting is convened to enable effective coordination between and across committees.

Responsibilities, priorities and progress of the committees are reported regularly to the Governing Body.

Associate members are appointed by the Governing Body to contribute to its work.

Associate members may attend the meetings of the Governing Body, which decides their voting rights. Their voting rights are limited by law to exclude matters concerning the budget, admissions, pupil discipline and the election or appointment of governors. Associate members are not governors and are not included in the school's Instrument of Government.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Associate members to the Governing Body:

- Ian Warwick, Most Able
- Anne-Marie Canning, Widening Participation
- Roger Chapman, Community Engagement
- Gary Bilkus, Information Technology

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all of the academy's key management personnel is determined in accordance with the "School teachers' pay and conditions document 2017 and guidance on school teachers' pay and conditions" (September 2017) and, where relevant, the local government pay arrangements. When determining an appropriate pay range, the school takes into account all of the permanent responsibilities of the role, any challenges that are specific to the role, and all other relevant considerations. In line with our Pay Policy, appropriate differentials are created and maintained between posts within the school, recognising accountability and job weight, and the governing body's need to recruit, retain and motivate sufficient employees of the required quality at all levels.

Head Teacher

The Head Teacher is appraised annually by the Head Teacher's performance management panel of the governing body, supported by a suitably skilled and experienced external adviser who has been appointed by the governing body for that purpose. The performance management panel consists of the Chair of Governors and two other governors.

The Head Teacher must demonstrate sustained high quality of performance, with particular regard to leadership, management and student progress at the Academy and is subject to a review of performance against performance objectives before any performance points are awarded. Objectives are focused on key school priorities and take account of the relevant Head Teacher standards. The objectives developed are SMART and measured accordingly. Objectives may be revised if circumstances change. The Head Teacher's objectives are set by the Head Teacher's performance management panel.

Salary progression for the Head Teacher is recommended by the Head Teacher's Performance Management panel and ratified by the Full Governing Body.

Other key management personnel

All other key management personnel (the academy's senior leadership team) are appraised annually by the Head Teacher. They must demonstrate sustained high quality of performance in respect of Academy leadership and management and, where relevant, student progress and are subject to an annual review of performance against their performance objectives before any performance points are awarded.

The performance management objectives are linked to the relevant standards and are linked to key school priorities and are appropriate to the leadership role and level of experience. Objectives may be revised if circumstances change. The Head Teacher is responsible for setting the objectives.

Salary progression for key management personnel (excluding the Head Teacher) is recommended by the Head Teacher and ratified by the Pay Committee (consisting of three governors). Any increase will be clearly attributable to the performance of the member of the senior leadership team in question. In all cases, the Pay Committee is able to justify its decisions.

If the evidence shows that the Head Teacher or any other member of the key management personnel has displayed exceptional performance, the governing body will consider awarding enhanced pay progression, up to the maximum of 1 additional point.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations.

There are no connected organisations or charities to declare. However, in line with our principles for community engagement we are actively working to develop effective cooperation with a range of local businesses, organisations and other schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects of the Archer Academy are to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

As a strategic body, the governors are focused on the long-term success of the school and the ambition of establishing a highly successful, first-choice secondary school serving the local community. We are delighted to be able to report so many successes over the past year, but our attention now turns to ensuring that our progress continues into the future. With that in mind we have another busy year ahead. Therefore we have devised a governor development plan that identifies priorities for the coming year.

Governor Development: As well as working closely with the senior leadership team through our Committee meetings where we look in detail at various aspects of school life, this last year has seen us embed our link governor system. Link governors meet with our heads of department twice a year and give strategic insight into their priorities and challenges. In addition, we have introduced formal Strategy and Planning Committee meetings to ensure open communication and linking between Committee work.

Partnerships: Archer Academy governors continue to play an important role in our now well-established school. Over this last year our team of governors has worked with school staff to develop strong partnerships with local schools. In building links with local primary schools, we are working with a range of key partner schools in our priority postcode areas. Furthermore, in pursuing a pathway for our students post-16, we have developed partnerships with Woodhouse College and Barnet and Southgate College. These are excellent developments that bringing a great degree of surety to our students along with valuable opportunities for collaboration and knowledge sharing between staff and our governing bodies.

Fundraising: Fundraising is always an important issue for schools. At the Archer Academy we are ambitious in our desire to offer every student more than just a basic education. Delivering our twice-weekly enrichment programme is an area that we fund from the school budget. Whilst we have brought in some external funding to support this, it would not continue to be possible without the Excellence Fund from parents and friends. Our Fundraising and Business Development committee also looks for additional ways to support the school offer. We have benefited from funding to deliver 'The Big Draw' week, to provide department specific equipment where required, and to improve the physical space around our buildings. We are currently working on a number of projects, of which the most significant is 'Make Beaumont Brilliant'. Our Beaumont Close site has required improvement to enable delivery of the Key Stage 4 curriculum. Work is ongoing and we have ambitions for a library.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include the provision of educational facilities that are accessible and appropriate for children from the whole community, regardless of race, gender, faith, disability, sexuality or socio-economic background. The development and delivery of a programme of community engagement that actively benefits the whole community within which the school operates.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Achievements and Performance

The vision for the school focuses on 'realising potential, inspiring creativity and engaging with our community.' Our staff and students constantly strive to deliver on this vision, both for themselves and for all those around them. As a result, there have been some wonderful events, achievements and successes over the past year.

For example, we secured winning performances in both the junior and the senior categories of the London Youth Games dance competition. This was the first time a Barnet school has won the London wide competition and also the first time a school has won gold in both categories.

We also followed up last year's overall victory with two silver medals at the Welwyn Youth Drama Festival. The adjudicator Alan Haslett said that the junior team's performance was "bursting with energy, had a lovely physicality" and that the senior team "played with our emotions, and took us from happy to sad to funny."

We continue to have successes in local sports, with excellent performances in chess, athletics, cricket and more.

Students developed their knowledge and experience, with trips to Berlin, and Amsterdam, along with skiing trips to Austria and the USA. Students visited The Globe, Sadler's Wells, BBC Radio and Diagon Alley. And we were absolutely delighted to welcome a range of visitors to the school, including inspirational talks from authors, scientists, artists, entrepreneurs, dancers and more.

Community projects continued this year, with various partnerships with local schools. We invited residents from local care homes for a winter party. We held a very popular Grandparents' Day, and our staff and governors represented N2 in the local 'Race the Neighbours'. Our creative and performing arts 'Showcase' was held in the JW3 community centre and included a cast of 140 students. Many of our students also pursued various forms of voluntary work in local organisations as they progressed towards Duke of Edinburgh awards.

A significant amount of work has also been achieved to further develop our campus school. Much of this work has been governed by our aim to personalise the campus to meet the distinctive needs of our vision, values and curriculum model.

For instance, at the Upper School campus, we have introduced outside seating and picnic benches for our students, extended the parking capacity to support our staff and improved our facilities with a new art classroom, a new science laboratory and a new art & design studio.

At the Lower School campus, we have invested in a new computer suite installed, external fencing around the football pitch and re-organised our space to provide rooms to support learners with special educational needs.

Furthermore, given the space constraints we have re-designed the foyer to provide for some library storage. Across the campus, we have worked to increase the storage available within classrooms.

We have also been looking to develop various services in school. So, following competitive tendering processes, new catering and cleaning companies were appointed. They will help us to improve our standards further and the catering team will enhance our aim to encourage healthy eating.

Key Financial Performance Indicators

Following discussion of a range of possible financial performance indicators the Trustees selected four KPIs that they feel provide a good indication of the financial health of the organisation and provide a suitable breadth of information to assist internal and external accountability.

KPIs

- Total revenue income (excluding capital)/ pupil £7,943 (2016 - £7,896)
- Total GAG/pupil £5,906 (2016 - £6,289)
- Staff costs/total revenue income (excluding capital) 72% (2016 – 68%)
- Teaching staff costs/per pupil £3,741 (2016 - £3,689)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The figures show an overall reduction in statutory funding (GAG) per pupil compared with the previous financial year, the proportion of staff costs to total revenue has increased by four percentage points to 72 per cent. Total revenue income per pupil has increased, reflecting the significant effort put into maximising self-generated income and fundraising activity. The trustees understand the continuing diseconomies and distortion of KPIs whilst the school is still growing. As the school reached capacity in September 2017, we now expect to see movement towards steady state in our KPIs and can begin to meaningfully benchmark against other schools.

The trustees will continue to monitor closely the variation between total revenue income per pupil and total GAG per pupil to determine the respective level of dependence on statutory and non-statutory sources of funding. Trustees will endeavour to strike a balance between maximising fundraising and earned income, without becoming overly dependent on it to operate.

Staff costs as a proportion of total income are in-line with trustees' expectations although we will continue to monitor the position and consider whether this figure needs to be reduced over time.

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

During the year the Academy received total incoming funds of £4,775,917 (2016 - £3,597,229) and total expenditure was £5,315,458 (2016- £4,117,568). After an actuarial adjustment to the defined benefit pension scheme of £199,000 (2016 £-118,000), this resulted in a movement for the year of £-340,541 (2016 £-638,339). The Trust's total assets stood at £28,231,008 at the year-end (2016- £28,571,549), with the vast majority of these relating to the Trust's property assets (Beaumont Close and Stanley Road). The available reserves for running the Trust at 31 August 2017 was a small operating surplus of £81,145 (2016 - £122,700) which the Trustees have determined to allocate to the 2017-18 budget in order to provide the necessary resources required for the year.

The primary source of income has been funding from the Department for Education, via the Education and Skills Funding Agency, of £ 3,832,545 (2016 - £3,143,326). Other income has been received in the form of charitable and donations which have been offered in order to enhance the quality and type of provision the academy can offer.

Reserves Policy

The Governors recognise that when the Academy is in a position to do so, it will need to hold reserves for a range of reasons. The Governors will always try to match income with expenditure in the current year by setting and managing a balanced budget. We will carry forward reserves when we are in a position to do so and in the context of a clear understanding of how such reserves will be used to benefit our students.

Our aim will be to build up our reserves to use as follows:

- Provide contingency funds to deal with minor adjustments to expenditure from a range of budget areas
- Implement future strategies in line with the development plan
- Invest as necessary in the maintenance of our capital assets
- Protect against any shortfall from rental income and other income generating initiatives
- Provide sufficient working capital to cover delays between spending and receipt of grant income
- Provide a cushion to deal with unexpected emergencies and long term sickness
- Cash flow management to enable variable cash demands.

The Governors have determined that the appropriate level of free reserves should be equivalent to one month's payroll cost, approximately £325,000.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

At 31st August 2017, the Academy held funds of £28,231,008 of which £58,503 was unrestricted and £28,172,505 restricted, and £28,292,863 related to fixed assets. The Governors have decided that all the funds held at 31st August 2017 should be allocated into the 2017-18 budget in order to maximise resources in the year. The Governors have determined that until such time as the school reaches a size where economies of scale can be realised, reserves cannot be built up.

At 31 August 2017 the total funds comprised:

Unrestricted	58,503
Restricted: Fixed asset funds	28,292,863
GAG	254
Pension reserve	(143,000)
Other	<u>22,388</u>
	28,231,008

Investment Policy

Surplus funds are held in an interest bearing bank account (0.1%)

The Academy's investment policy, in accordance with the school's wider procurement policy, is based on extracting maximum social value from the use of resources. This is based on an assessment of social, environmental and economic benefits and costs, in accordance with the Public Services (Social Value) Act 2012.

Principal Risks and Uncertainties

The Academy Trust practices through its Board, namely the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated. The Chair of Governors and Head Teacher also review major risks as part of their regular meetings.

The Governing Body accepts managed risk as an inevitable part of its operations but seeks to avoid unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior leaders or sub-committees.

The principal risks facing the Academy are:

- Reputational risk – mitigated by a Communications operational group, overseeing and delivering a programme of effective and proactive communications, designed to minimise the likelihood of reputational risks and respond in a timely and effective manner to any perceived or actual reputational risks.
- Performance risk – mitigated by an Education and Standards Committee, overseeing school performance and ensuring adequate systems and procedures are in place to monitor performance risks. Individual learning plans and regular monitoring of pupil data are used to mitigate against performance risks. The establishment of a robust school development plan, closely aligned to the school's vision and ethos, provides clear and measurable performance targets, which are monitored closely by the Governors and through regular Head Teacher reports.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reducing the Academy's income, unbudgeted increases in teaching or support staff costs, or that financial management, controls or reporting are not sufficiently robust. The risks presented here are mitigated by close financial control and regular reporting to the Finance and Audit Committee to monitor expenditure on a monthly basis and governor monitoring of staffing levels and requirements through the General Resources Committee. A fundraising and income generation strategy, overseen by a Fundraising and Business Development Committee, has been established to secure additional income, to offset the risk of any unforeseen expenditure becoming necessary.
- Risks associated with personnel – the principal personnel risks relate to the loss of key staff and any delays or difficulties in replacing them. These risks are mitigated by the oversight of the General Resources committee which seeks to ensure the Academy has sufficient staffing levels, adequate systems and procedures in place to monitor and support staff and a long-term staffing plan and recruitment schedule linked to the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

financial forecasts for the school.

- IT system failures, whether a single major incident or multiple minor ones, and whether due to technical failure, or malicious activity, could compromise the school's ability to operate effectively and impact on other systems and operations. Operating a single integrated IT system across two operational sites poses a further risk of systems failure. These risks are mitigated by the appointment of a dedicated Premises Manager and Business Manager with responsibility to oversee IT and infrastructure and to manage IT staff. The General Resources Committee provides oversight and scrutiny at a strategic level to ensure appropriate policies and procedures are in place to mitigate risks.

PLANS FOR FUTURE PERIODS

The primary focus of the Academy for the future period is to fully establish the school as an efficient, effective and outstanding establishment, which reflects the Governors' vision and ethos and serves the community for which it has been established. A Vision Statement has been approved by the Governors that sets out the long term aims for the Academy, aligned to the three pillars of the school's vision – Realising Potential, Inspiring Creativity and Engaging with our Community. The school development plan reflects this longer-term vision in establishing clear objectives and targets for the short-to-medium term.

The year ahead is very important, because our first cohort of students will finish Year 11 next summer. In helping students to progress towards their GCSEs, we pay close attention to the progress of our students, using a robust system of monitoring and external benchmarking, both to ensure that they are on track to succeed and to inform our strategies for teaching and learning. Reporting on this is complicated by recent changes to forms of assessment and measures of progress used by the government. However, we are confident that our students are on track to show strong progress from Key Stage 2 and our analysis of the assessment data for the Year 10 cohort collected in July 2016 suggests that our student body is on track to exceed national expectations for progress. However the work of school leaders and the governing body will continue to ensure that all students are supported to realise their individual potential.

Efforts are, of course, focused on supporting all year groups. Therefore, following changes to measures of progress at Key Stage 3, our school has taken this as an opportunity to enhance support for personalised learning, and to start that process from the very beginning of Year 7. Our new 'flight path' system aims to provide greater clarity for teachers to differentiate the classroom, so that key groups of learners get the support and challenge that is right for them. It will also provide a valuable tool for students and parents to monitor their progress, and to set ambitious, yet achievable, targets.

In the academic year 2017-2018, we are looking to ensure that we continually train and develop as a board so that we are up-to-date with the latest developments in education and safeguarding. The current financial climate is affecting all schools, so we aim to redouble our fundraising efforts in order to provide the best opportunities and facilities for our students. Our major campaign is to raise money for our Upper School, to 'Make Beaumont Brilliant'.

Furthermore, we hope to develop closer working partnerships with the governing bodies of our partner primary schools and colleges.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors hold no funds on behalf of others as Custodian Trustees.

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the 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 auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7.12.17 2017 and signed on the board's behalf by:


.....
Avis Johns
Chair of Trustees

THE ARCHER ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustee has formally met 7 times during the year. Attendance during the year at meetings of the board of trustee was as follows:

Trustee	Meetings attended	Out of a possible
Toby Blume, Trustee	7	7
Martin Bright, Parent Governor	5	7
Lillian Caller, Governor	6	7
Anne-Marie Canning, now Associate Member	1	1
Louise Dobrin-Glaser, Governor	1	1
Patricia Choral, Governor	7	7
Ludmila Felic, Staff Governor	5	7
Johanna Moses, Governor	1	1
Cathy Halstead, Governor	7	7
Lucy Harrison, Headteacher	7	7
Jon Hindmarsh, Governor	7	7
Alice Humphrey, Staff Governor	2	4
Avis Johns, Chair of Governors	7	7
Katherine Klinger, Parent Governor	5	7
Sanjay Maraj, Trustee	4	7
Bryan Marcus, Governor	6	7
Andry Moustras, Governor	3	7
Sarah Pearce, Trustee	6	7
Joel Romaner, Governor	2	7
Seema Shah, Governor	7	7
Simran Jouhal, Staff Governor	3	3
Benjamin Whittaker, Governor	0	1

Following a successful recruitment procedure, three community governors were appointed to the Board, bringing a range of skills and experience which had been identified as being beneficial to strengthen the capacity and capability of the Governing Body. The new governors; Louise Dobrin, Johanna Moses and Ben Whittaker have subsequently taken on a range of roles and responsibilities and will contribute to the work of committees and working groups and become link governors.

The appointment of a new staff governor was also ratified by governors in March 2017 following a staff election, to replace a staff governor who stepped down.

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GOVERNANCE STATEMENT (continued)

At the beginning of the year a Governor Development and Audit policy was developed setting out the Board's approach to strategically evaluating its own performance and addressing any gaps or areas for improvement. It outlines our training for new governors and a commitment from all governors to share training, knowledge and expertise. This policy, which was approved in September 2016, codified a range of existing practices into a single document to provide a clear and transparent approach to governance and continuous improvement. It is reviewed on a regular basis.

The finance and audit committee is a committee of the main board of trustees. Its purpose is: Ensuring sound management of the Academy's finances and resources, including proper planning, monitoring and probity in line with the statutory and non-statutory guidance and good practice and providing assurance regarding the identification and management of risk.

The committee met 7 times during the course of the year. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Toby Blume, Trustee	7	7
Patricia Choiral, Governor	6	7
Seema Shah	7	7
Joel Rومانer, Governor	6	7
Lucy Harrison, Headteacher	6	7
Leanne Chase, Finance Director and Chief Finance Officer	7	7
Michele Harrison (Business Manager)	4	7
Isobel Collinge (appointed 24/04/17)	2	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of trustee where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

The Archer Academy takes a prudent approach to expenditure. With approximately 72% of the Academy Trust revenue budget spent on staffing, staffing structures are reviewed annually to ensure that they are fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academy Trust development plan.

The Academy Trust has a high proportion of skilled and experienced teaching and non-teaching staff, who are very effectively deployed to provide best value. Teachers' performance management and support staff appraisal systems are in place, and HR policies, such as Whistleblowing, are implemented. Staff members have had a range of training opportunities, relating to: safeguarding, thematic learning, gifted and talented; e-safety; promoting independent study; and special educational needs. Several members of staff have also been accepted on leadership and development courses.

The Academy's Performance Management process was reviewed in September 2016 and again in July 2017. This review process has resulted in a much sharper programme to best support staff development and hold staff to account for the academic progress of our students. Robust judgements on performance related pay are securely in place.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Monthly budget monitoring reports are produced by the Finance Director, with recommendations made for any corrective actions necessary in order to deliver an outcome within budget. In 2016/17 spending across school departments was further streamlined and significant efficiencies made. Strategic risks are reviewed termly by the Finance Committee during the year with challenge on actions taken to manage and mitigate against the risks. In balancing risk against return the Archer Academy policy is clearly geared towards minimising risk rather than maximising returns. In view of increasingly tight financial resources in 2016/17 the Archer Academy placed a higher priority on scrutinising purchase order requests in order to reduce the likelihood of wasteful spending. Within this period of scrutiny an extensive tendering process in relation to our cleaning and catering contracts was completed to secure longer term financial benefits and value for money.

The Archer Academy has in place a rolling programme of budget planning which focuses not only on the current and next financial year but also on the medium to longer term. We are constantly reviewing areas of spending and looking at ways to deliver savings, balance the budget and improve value for money. In reviewing expenditure we have participated in benchmarking exercises to identify areas where we appear to be high spending. In doing so the Academy has sought to get the optimum balance between quality and cost.

Better Purchasing

Contracts are regularly reviewed and, where necessary, changed to ensure that they are fit for purpose. Individual budget holders are held accountable for the use of their budgets, and are vigilant with regard to sourcing best value. Additionally, when making significant capital spends through redesign of our Upper School a preowned modular building was secured to reduce costs. As our campus school model has become embedded we have moved effectively towards the sharing of equipment across the buildings, as opposed to always securing two of everything.

Better Income Generation

The year 2016/2017 saw a focused drive on increasing parental donations through our Excellence Fund. This work has been successful, seeing an increase of 69% on the previous year. Furthermore, careful work in securing additional funding grants has been successful, such as a grant for outside space development and support for our enrichment curriculum.

As a campus school lettings have increased, with both school buildings being made available to the wider community across the evenings and weekends. We are well placed to secure strong income generation in this area over the coming year.

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 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 Archer Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustee has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustee;
- regular reviews by the finance and general purposes 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 decided to appoint Bernard Manson, an experienced accountant, as a Responsible Officer from 1st September 2016 and agreed a schedule of work for the 2016-17 year.

The responsible officer role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the responsible officer 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 responsible officer's control objectives included:

- Month end procedures
- Review of bank reconciliations and expenses
- Review of the Payroll system
- Review of Petty Cash
- Review of governance
- Review of policies

On a termly basis the responsible officer reports to the board of trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

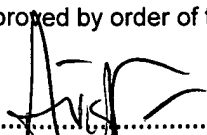
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the board of trustee on 7/12/2017 and signed on their behalf, by:


.....
Avis Johns
Chair of Trustees


.....
Lucy Harrison, Headteacher
Accounting Officer

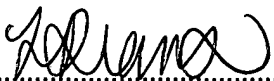
THE ARCHER ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Archer Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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


.....
Lucy Harrison, Headteacher
Accounting Officer

7/12/2017

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

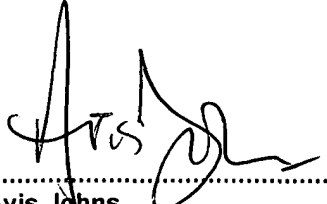
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



.....
Avis Johns
Chair of Trustees

Date: 7/12/17.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF THE ARCHER ACADEMY

OPINION

We have audited the financial statements of The Archer Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 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.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF THE ARCHER ACADEMY

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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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 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 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' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy 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.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

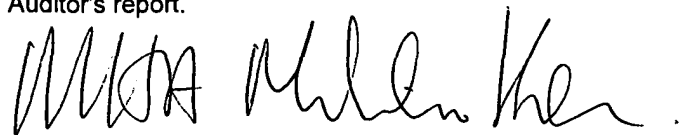
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF THE ARCHER ACADEMY

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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. The description forms part of our Auditor's report.



Brendan Sharkey FCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

Date: 11th December 2017.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
ARCHER ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Archer Academy during the year 1 September 2016 to 31 August 2017 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 Archer Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Archer Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Archer Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ARCHER ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANTS**

The Accounting Officer is responsible, under the requirements of The Archer Academy's funding agreement with the Secretary of State for Education dated April 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
ARCHER ACADEMY AND THE EDUCATION AND SKILLS 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, testing as appropriate 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 11th December 2017

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	55,436	32,065	10,110	97,611	81,051
Charitable activities	5	189,003	4,416,522	-	4,605,525	3,457,645
Other trading activities	3	62,414	9,800	-	72,214	57,639
Investments	4	567	-	-	567	894
TOTAL INCOME		307,420	4,458,387	10,110	4,775,917	3,597,229
EXPENDITURE ON:						
Charitable activities		193,965	4,589,706	531,787	5,315,458	4,117,568
TOTAL EXPENDITURE	6	193,965	4,589,706	531,787	5,315,458	4,117,568
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	113,455 (139,828)	(131,319) (20,863)	(521,677) 160,691	(539,541) -	(520,339) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(26,373)	(152,182)	(360,986)	(539,541)	(520,339)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	199,000	-	199,000	(118,000)
NET MOVEMENT IN FUNDS		(26,373)	46,818	(360,986)	(340,541)	(638,339)
RECONCILIATION OF FUNDS:						
Total funds brought forward		84,876	(167,176)	28,653,849	28,571,549	29,209,888
TOTAL FUNDS CARRIED FORWARD		58,503	(120,358)	28,292,863	28,231,008	28,571,549

The notes on pages 27 to 49 form part of these financial statements.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07952786

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		28,292,863		28,653,849
CURRENT ASSETS					
Debtors	13	236,104		341,353	
Cash at bank and in hand		617,454		881,340	
		<u>853,558</u>		<u>1,222,693</u>	
CREDITORS: amounts falling due within one year	14	<u>(772,413)</u>		<u>(1,099,993)</u>	
NET CURRENT ASSETS			81,145		122,700
TOTAL ASSETS LESS CURRENT LIABILITIES			28,374,008		28,776,549
Defined benefit pension scheme liability	19		<u>(143,000)</u>		<u>(205,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			28,231,008		28,571,549
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	22,642		37,824	
Restricted fixed asset funds	15	28,292,863		28,653,849	
General fund - unrestricted		<u>28,315,505</u>		<u>28,691,673</u>	
Pension reserve		<u>(143,000)</u>		<u>(205,000)</u>	
Total restricted income funds			28,172,505		28,486,673
Unrestricted income funds	15		<u>58,503</u>		<u>84,876</u>
TOTAL FUNDS			28,231,008		28,571,549

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue, on 7/12/2017 and are signed on their behalf, by:

.....
Avis Johns
Chair of Trustees

.....
Toby Blume
Chair of Finance

The notes on pages 27 to 49 form part of these financial statements.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>(103,762)</u>	<u>(7,812)</u>
Cash flows from investing activities:			
Investment income		567	894
Purchase of tangible fixed assets		(170,801)	(261,933)
Capital grants and income		<u>10,110</u>	<u>-</u>
Net cash used in investing activities		<u>(160,124)</u>	<u>(261,039)</u>
Change in cash and cash equivalents in the year		(263,886)	(268,851)
Cash and cash equivalents brought forward		<u>881,340</u>	<u>1,150,191</u>
Cash and cash equivalents carried forward	18	<u>617,454</u>	<u>881,340</u>

The notes on pages 27 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

The Archer Academy is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Archer Academy constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Academy Trust, rounded to the nearest £1.

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability.

Grants Receivable

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

General Annual Grant is recognised in full in the 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. Capital grants paid in respect of eligible expenditure are only recognised when such expenditure has been incurred. Any income received in advance is deferred.

Donations

Donations are recognised on a receivable basis where there is probability of receipt, there are no performance related conditions 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.

Donated Services and Gifts in Kind

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 incorporating Income and Expenditure Account, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

All 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. Expenditure is classified by activity. The costs of each activity are made up of direct costs and shared costs, including support costs involved in undertaking each activity. 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

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property - buildings	-	2% per annum on a straight line basis
Fixtures and fittings	-	10% per annum on a straight basis
Computer equipment	-	33.3% per annum on a straight basis
Freehold land	-	Not depreciated

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 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.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

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

1.11 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 Education Funding Agency 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 the Education and Skills Funding Agency, Department for Education or other funders.

Investment income, gains and losses are allocated to the appropriate fund.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Any change in the valuation of the freehold property would impact the total net assets of the academy trust.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	55,436	32,065	-	87,501	45,069
Capital Grants	-	-	10,110	10,110	35,982
	<u>55,436</u>	<u>32,065</u>	<u>10,110</u>	<u>97,611</u>	<u>81,051</u>
<i>Total 2016</i>	<u>28,617</u>	<u>16,452</u>	<u>35,982</u>	<u>81,051</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	57,637	-	57,637	40,117
Fundraising	4,777	9,800	14,577	17,522
	<u>62,414</u>	<u>9,800</u>	<u>72,214</u>	<u>57,639</u>
<i>Total 2016</i>	<u>55,539</u>	<u>2,100</u>	<u>57,639</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	567	-	567	894
	<u>567</u>	<u>-</u>	<u>567</u>	<u>894</u>
<i>Total 2016</i>	<u>894</u>	<u>-</u>	<u>894</u>	

THE ARCHER ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,543,812	3,543,812	2,836,448
Pupil Premium	-	165,623	165,623	125,646
Other EFA /DfE grants	-	7,000	7,000	7,750
Start-up grants	-	106,000	106,000	137,500
	-	3,822,435	3,822,435	3,107,344
Other government grants				
SEN	-	258,292	258,292	121,448
Split site funding	-	84,362	84,362	-
Fair access	-	2,000	2,000	-
	-	344,654	344,654	121,448
Other funding				
Other income	189,003	249,433	438,436	228,853
	189,003	249,433	438,436	228,853
	189,003	4,416,522	4,605,525	3,457,645
<i>Total 2016</i>	156,494	3,301,151	3,457,645	

There are no unfulfilled conditions or other contingencies attached to the grants above.

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	2,734,044	-	310,842	3,044,886	2,261,178
Support costs	690,091	808,518	771,963	2,270,572	1,856,390
	3,424,135	808,518	1,082,805	5,315,458	4,117,568
<i>Total 2016</i>	2,431,270	850,193	836,105	4,117,568	

In 2017, of the total expenditure from charitable activities, £5,121,493 (2016: £3,877,275) related to restricted funds and £193,965 (2016: £240,294) related to unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. CHARITABLE EXPENDITURE

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	3,044,886	2,270,572	5,315,458	4,117,568
<i>Total 2016</i>	2,261,178	1,856,390	4,117,568	

Analysis of support costs

	Educational operations £	Total 2017 £	Total 2016 £
Staff costs	649,271	649,271	470,327
Depreciation	531,787	531,787	595,149
Agency and other staff costs	40,820	40,820	11,611
Governance costs	11,680	11,680	17,368
Educational supplies	10,187	10,187	14,697
Security	4,792	4,792	6,211
Technology costs	70,851	70,851	74,723
Educational consultancy	78,988	78,988	30,728
Travel and subsistence	241,640	241,640	61,249
Maintenance of premises and equipment	60,729	60,729	38,898
Recruitment and support	10,848	10,848	3,031
Rent and rates	53,289	53,289	52,347
Energy	59,607	59,607	34,206
Insurance	15,039	15,039	32,436
Catering	193,662	193,662	169,559
Other occupancy costs	95,087	95,087	76,556
Other support costs	107,879	107,879	130,309
Professional services	34,416	34,416	36,985
	2,270,572	2,270,572	1,856,390
<i>At 31 August 2016</i>	1,856,390	1,856,390	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	531,787	595,149
Auditors' remuneration - audit	7,685	8,500
Auditors remuneration - other services	4,463	4,550
Operating lease rentals	10,756	7,644
	<hr/> <hr/>	<hr/> <hr/>

THE ARCHER ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,510,890	1,838,907
Social security costs	244,105	157,845
Operating costs of defined benefit pension schemes	541,817	360,339
	<hr/>	<hr/>
	3,296,812	2,357,091
Agency staff	127,323	74,179
	<hr/>	<hr/>
	3,424,135	2,431,270
	<hr/>	<hr/>

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

	2017 No.	2016 No.
Teachers	37	29
Administration and support	47	32
Management	9	6
	<hr/>	<hr/>
	93	67
	<hr/>	<hr/>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1

The above bandings state employee emoluments before employer's pension contributions. The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 employer's pension contributions for this employee amounted to £12,987 (2016 - £12,259).

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) received by Key Management Personnel for their services to the academy trust was £576,476 (2016 - £382,690).

10. TRUSTEES' AND OFFICERS' INSURANCE

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 (2016 - £10,000,000). It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees have been paid remuneration or have 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 during the period in which they were trustees was as follows:

		2017	2016
		£	£
Lucy Harrison, Headteacher	Remuneration	75,000-80,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Ludmila Felic, Staff Governor	Remuneration	5,000-10,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
Alice Humphrey, Staff Governor	Remuneration	45,000-50,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Simran Jouhal, Staff Governor	Remuneration	30,000-35,000	
	Pension contributions paid	5,000-10,000	

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

Remuneration disclosures for Trustees who resigned prior to September 2016 are not reflected in the table above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	28,462,083	759,030	623,824	29,844,937
Additions	115,113	34,009	21,679	170,801
At 31 August 2017	28,577,196	793,039	645,503	30,015,738
Depreciation				
At 1 September 2016	682,571	107,389	401,128	1,191,088
Charge for the year	349,532	77,283	104,972	531,787
At 31 August 2017	1,032,103	184,672	506,100	1,722,875
Net book value				
At 31 August 2017	27,545,093	608,367	139,403	28,292,863
At 31 August 2016	27,779,512	651,641	222,696	28,653,849

Freehold property relates to the Academy's sites at Beaumont Close and Stanley Road. The ESFA provided a valuation of the land and buildings for Beaumont Close of £19.624 million during the year ended 31 August 2014. The value of the site at Stanley Road comprises costs of construction and the cost of subsequent additions.

Additions in the year of £115,113 to freehold property include installations of £14,436 for fencing to the site at Stanley Road and £100,677 for the installation of a portacabin, toilet cubicles, power and electrical supplies, fencing and new flooring, to the site at Beaumont Close.

Included within freehold property is freehold land of £10,994,000 (2016: £10,994,000) which is not depreciated.

The depreciated replacement cost method has been used to determine the net book value of freehold property.

The trustees consider that the valuation of freehold property remains appropriate for the purposes of these financial statements.

THE ARCHER ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. DEBTORS

	2017 £	2016 £
Trade debtors	-	2,894
VAT repayable	49,596	50,686
Other debtors	20,289	129,070
Prepayments and accrued income	166,219	158,703
	<u>236,104</u>	<u>341,353</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	176,222	519,163
ESFA creditor: VAT	21,511	523
Other creditors	345,041	332,375
Accruals and deferred income	229,639	247,932
	<u>772,413</u>	<u>1,099,993</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	81,748	19,720
Resources deferred during the year	61,394	81,748
Amounts released from previous years	(81,748)	(19,720)
Deferred income at 31 August 2017	<u>61,394</u>	<u>81,748</u>

Deferred income at 31 August 2017 includes amounts received in advance in respect of trip income for £28,641 (2016: £76,462), DFC income for £6,753 (2016: £5,286) and charity grants for £26,000 (2016: £Nil).

THE ARCHER ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	84,876	307,420	(193,965)	(139,828)	-	58,503
Restricted funds						
Restricted Funds	26,633	3,736,459	(3,762,838)	-	-	254
Donations	4,340	14,509	(14,869)	-	-	3,980
Other ESFA/DfE grants	2,196	432,916	(422,249)	(12,863)	-	-
Other restricted income	4,655	274,503	(252,750)	(8,000)	-	18,408
Pension reserve	(205,000)	-	(137,000)	-	199,000	(143,000)
	(167,176)	4,458,387	(4,589,706)	(20,863)	199,000	(120,358)
Restricted fixed asset funds						
Fixed asset funds	28,653,849	10,110	(531,787)	160,691	-	28,292,863
Total restricted funds	28,486,673	4,468,497	(5,121,493)	139,828	199,000	28,172,505
Total of funds	28,571,549	4,775,917	(5,315,458)	-	199,000	28,231,008

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	104,036	241,544	(240,294)	(20,410)	-	84,876
	104,036	241,544	(240,294)	(20,410)	-	84,876

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant

(GAG)	130,747	2,973,948	(2,882,976)	(195,086)	-	26,633
Donations	12,859	16,452	(24,971)	-	-	4,340
Other ESFA/DfE grants	743	254,844	(242,936)	(10,455)	-	2,196
Other restricted income	(5,561)	74,459	(64,243)	-	-	4,655
Pension reserve	(20,000)	-	(67,000)	-	(118,000)	(205,000)
	<u>118,788</u>	<u>3,319,703</u>	<u>(3,282,126)</u>	<u>(205,541)</u>	<u>(118,000)</u>	<u>(167,176)</u>

Restricted fixed asset funds

Fixed asset funds	19,039,868	-	-	225,951	-	19,265,819
	<u>9,947,197</u>	<u>35,982</u>	<u>(595,149)</u>	<u>-</u>	<u>-</u>	<u>9,388,030</u>
	<u>28,987,065</u>	<u>35,982</u>	<u>(595,149)</u>	<u>225,951</u>	<u>-</u>	<u>28,653,849</u>
Total restricted funds	<u>29,105,853</u>	<u>3,355,685</u>	<u>(3,877,275)</u>	<u>20,410</u>	<u>(118,000)</u>	<u>28,486,673</u>
Total of funds	<u>29,209,889</u>	<u>3,597,229</u>	<u>(4,117,569)</u>	<u>-</u>	<u>(118,000)</u>	<u>28,571,549</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

The unrestricted fund recognises the incoming and outgoing resources in respect of activities of Academy that fall outside the scope of its core activities. The transfer of £139,828 from the unrestricted funds to the restricted fixed asset fund represents amounts transferred for fixed asset additions in the year.

Donations are restricted funds received to assist with specific projects.

The Other DfE/ESFA Grants fund has been created to recognise the restricted funding received from the DfE/ESFA which fall outside the scope of core funding. Transfers from other DfE/ESFA funds to the restricted fixed asset fund of £12,863 represent amounts capitalised for fixed assets.

The Other restricted Income fund has been established to recognise all other funding that cannot be classified above but fall outside the scope of its core activities. Transfers of £8,000 from other restricted funds represent amounts capitalised for fixed assets.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised. Plans are in place to meet the deficit such that it is not a constraint on reserves in the future.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the NBV of tangible fixed assets together with capital grant funding. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital Grants fund has been created to recognise capital grants received for the purpose

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15. STATEMENT OF FUNDS (continued)

of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	28,292,863	28,292,863
Current assets	58,503	795,055	-	853,558
Creditors due within one year	-	(772,413)	-	(772,413)
Pension scheme liability	-	(143,000)	-	(143,000)
	<u>58,503</u>	<u>(120,358)</u>	<u>28,292,863</u>	<u>28,231,008</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	28,653,849	28,653,849
Current assets	84,876	1,137,817	-	1,222,693
Creditors due within one year	-	(1,099,993)	-	(1,099,993)
Pension scheme liability	-	(205,000)	-	(205,000)
	<u>84,876</u>	<u>(167,176)</u>	<u>28,653,849</u>	<u>28,571,549</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(539,541)	(520,339)
Adjustment for:		
Depreciation charges	531,787	595,149
Investment income	(567)	(894)
Decrease in debtors	105,249	227,818
Decrease in creditors	(327,580)	(376,546)
Capital grants and income	(10,110)	-
FRS 102 pension adjustment	137,000	67,000
Net cash used in operating activities	(103,762)	(7,812)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	617,454	881,340
Total	617,454	881,340

19. PENSION COMMITMENTS

The academy'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 the London Borough of Barnet. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £263,905 (2016 - £204,373).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up

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19. PENSION COMMITMENTS (continued)

before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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 2017 was £175,000 (2016 - £106,000), of which employer's contributions totalled £141,000 (2016 - £86,000) and employees' contributions totalled £34,000 (2016 - £20,000). The agreed contribution rates for future years are 23.8% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Commutation of pensions to lump sums pre April 2008	50.00 %	50.00 %
Commutation of pensions to lump sums post April 2008	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	21.9	22.1
Females	24.3	24.4
Retiring in 20 years		
Males	23.9	24.2
Females	26.5	26.8

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19. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Salary Increase rate +0.5%	1,000	15,000
Discount rate -0.5%	69,000	68,000
Pension Increase rate +0.5%	68,000	52,000

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	280,000	161,000
Bonds	114,000	49,000
Cash and other liquid assets	-	2,000
Total market value of assets	394,000	212,000

The actual return on scheme assets from 1 October 2016 to 30 June 2017 was 7.1%.

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(273,000)	(151,000)
Interest income	6,000	5,000
Interest cost	(11,000)	(7,000)
Total	(278,000)	(153,000)

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

	2017 £	2016 £
Opening defined benefit obligation	417,000	97,000
Current service cost	273,000	151,000
Interest cost	11,000	7,000
Employee contributions	34,000	20,000
Actuarial (gains)/losses	(195,000)	142,000
Benefits paid	(3,000)	-
Closing defined benefit obligation	537,000	417,000

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19. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	212,000	77,000
Interest income	6,000	5,000
Actuarial gains	4,000	24,000
Employer contributions	141,000	86,000
Employee contributions	34,000	20,000
Benefits paid	(3,000)	-
	<u>394,000</u>	<u>212,000</u>
Closing fair value of scheme assets	<u>394,000</u>	<u>212,000</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	6,095	1,150
Between 1 and 5 years	6,427	-
	<u>12,522</u>	<u>1,150</u>
Total for assets other than land and buildings	<u>12,522</u>	<u>1,150</u>

21. RELATED PARTY TRANSACTIONS

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

The daughter of Roger Chapman, a member, is an employee of 'The Key for School Leaders'. This company provided services of advice on educational policy during the year to the academy at a cost of £2,569 (2016 £1,709). At the year end, the academy owed £Nil (2016: £689) to the company. The transactions were on normal commercial terms. Roger Chapman had no involvement in the contract discussions or decisions in relation to the appointment for the services or in the transactions which were, as a matter of policy, conducted on an arms length basis.

Donations have been made during both the current and prior year to the academy by the trustees. None of the donations had any conditions attached and the donations did not influence the academy's activities or resources.

Other related party transactions relating to the trustees are detailed above in note 11.

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NOTES TO THE FINANCIAL STATEMENTS
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22. 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.