

Registered number: 07952786

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



THE ARCHER ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 9
Governance Statement	10 - 14
Statement on Regularity, Propriety and Compliance	15
Trustees' Responsibilities Statement	16
Independent Auditors' Report	17 - 18
Independent Reporting Accountant's Assurance Report on Regularity	19 - 20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 - 44

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

Members	Sanjay Maraj, Trust Chair Toby Blume Roger Chapman Jon Hindmarsh Avis Johns, Chair of Governors Sarah Pearce
Trustees	Lucy Harrison, Head Teacher (Appointed 1 September 2015) Sarah Cohen (Resigned 16 July 2015) Colin Chouthi (Resigned 16 July 2015) Gareth Davies (Resigned 16 July 2015) Cathy Halstead Andry Moustras Lillian Caller Patricia Choral Anne-Marie Canning (Appointed 15 January 2015) Katherine Klinger, Parent Governor Martin Bright, Parent Governor (Appointed 20 November 2014) Leighton Morgan, Staff Governor (Resigned 31 August 2015) Ludmilla Felic, Staff Governor (Appointed 19 March 2015) Bryan Marcus (Appointed 17 September 2015) Seema Shah (Appointed 17 September 2015) Joel Romaner (Appointed 17 September 2015) Ian Warwick, Associate Governor Hannah Forster Mick Quigley, Head Teacher (Resigned 31 August 2015)

Company registered number 07952786

(Registered in England and Wales)

Principal and registered office 3 Beaumont Close
London
N2 0GA

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

Administrative details (continued)

Company secretary Sarah Pearce

Clerk to the governors Sarah Beaumont

Senior leadership team

Lucy Harrison, Head Teacher (Appointed 1 September 2015)
Jane Gibson, Director of Operations (Appointed 1 September 2015)
Oliver Naylor, Assistant Head Teacher (Appointed 1 September 2015)
Oliver Oakley, Assistant Head Teacher (Appointed 1 September 2015)
Lindsay Gillham, Assistant Head Teacher (Appointed 1 September 2015)
Mick Quigley, Head Teacher (Resigned 31 August 2015)
Leanne Chase, Director of Finance (Appointed 9 February 2015)
Janet McKie, Business Manager (Resigned 28 February 2015)

Independent auditors MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Euro House
1394 High Road
London
N20 9YZ

Bankers Lloyds Bank plc
Threadneedle Street
London
EC2R 8AU

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in East Finchley and the surrounding area. It has a pupil capacity of 300 and had a roll of 300 in the school census on 15 January 2015.

Structure, governance and management

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of the 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 during 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 commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £595 (2014 - £482).

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 an annual skills audit, based on the National Governors' Association model, to appraise existing competencies and identify any areas for development. Having undertaken the skills audit, the governors identified the desirability of additional competence in finance, fundraising and communications skills. An open recruitment process was instigated, publicised through our communications channels – website, social media and supporter database – as well as through local press. The opportunity was also advertised on the local school governor placement service. Applicants were asked to submit an application form, along with a candidate statement setting out their suitability to the position. An appointment panel of existing governors was established who shortlisted 6 candidates. The shortlisted candidates were invited to interview and three new governors were duly appointed.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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 have attended courses during the period on topics including Special Educational Needs, Pupil Premium, 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
- General Resources

Working Groups of the Governing Body:

- Communications and Community Engagement
- Sixth Form
- Employability

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

A Committee Chairs' meeting is convened every two months to enable effective coordination between and across committees.

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

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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 schools. During the year, Patrick Leacock, the husband of Avis Johns, the chair of governors,

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

was paid for the provision of mentoring for SEN and after school clubs. Mr Leacock provided a professional service at well below the market rate, enabling the school to afford to provide support that would otherwise have been unaffordable. The contractual arrangement ceased in August 2015 although Mr Leacock continues to serve as a volunteer with the school on an ad hoc basis.

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. Our ambition to establish a highly successful, first-choice secondary school has had an incredible start. 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.

- Development of our sixth form
- Development of an employability strategy that can enhance the offer of the school
- Development of a fundraising and business development strategy and operating plan, to support income generation
- Continued focus on governor training and development to ensure effective practice and succession planning.

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. They also include the development and delivery of a programme of community engagement that actively benefits the whole community within which the school operates.

Strategic Report

Achievements and performance

There were several significant developments during the year, with the completion of our new Stanley Road campus, the successful recruitment of our new Head Teacher, Lucy Harrison, and receiving our first Ofsted inspection - securing a 'good' overall judgement, with an outstanding grading for the behaviour and safety of our students.

The Archer Academy's first Ofsted inspection took place in June 2015. The report captures the achievements of our first two years and provides a clear pathway for future success. It gives the school a grading of 'good' overall, with an outstanding grading for the behaviour and safety of our students.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

The appointment of a new head teacher is probably the most significant role that a governing body undertakes. Thus, our governing body worked hard to adopt a systematic approach. Eleven candidates applied for the position and we selected four to join us for the two-day interview process. Both the panel and the advisers were unanimous in assessing Lucy Harrison as the standout candidate in a strong field of highly able and experienced school leaders.

In June 2015, the design, plan and build phase of Stanley Road was successfully completed. The team of architects, designers, engineers and builders have transformed a derelict playing field into an asset for the school and the wider community.

KEY FINANCIAL PERFORMANCE INDICATORS

Following discussion of a range of possible financial performance indicators, the Trustees selected four KPIs that they consider 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/pupil £9,080 (2014 - £10,113)
- Total GAG/pupil £7,054 (2014 - £7,116)
- Staff costs/total revenue income 61% (2014 – 64%)
- Teaching staff costs/per pupil £3,947 (2014 - £4,861)

The figures across all indicators show an overall reduction compared with the previous financial year. The trustees understand the exceptional circumstances of opening a new school and the considerable additional funding requirements in the first year of operation. This results in a distortion of the KPIs with start-up investment artificially increasing levels of income and the resultant amount of funding per student. This is understood and anticipated by trustees to diminish further until the school reaches full capacity.

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 and brief benchmarking that they have undertaken.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the 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 Accounting Policies.

FINANCIAL REVIEW

During the year the Academy received total incoming funds of £8,803,002 and total expenditure was £2,860,235. After an actuarial adjustment to the defined benefit pension scheme of a deficit of £4,000, this resulted in a movement for the year of £5,938,767. These figures include the capital income received from the Education Funding Agency for the development of our Stanley Road site of £6,059,736. The Trust's total assets stood at £29,209,889 at the year end, with the vast majority of these - £28,987,065 – relating to the Trust's property assets (Beaumont Close and Stanley Road). The funds position for the year other than fixed assets and

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

pensions was £242,824 which the Trustees have determined to allocate to the 2015-16 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 Funding Agency, of £ 8,476,100. Other income has been received in the form of charitable donations which have been offered in order to enhance the quality and type of provision the academy can offer.

The appointment of an experienced Finance Director, who is also the Chief Financial Officer, has provided considerable capacity and capability to support the Academy's financial management. This has resulted in the trustees' being able to adopt a more rigorous and longer-term approach to financial planning with budget setting closely aligned to the priorities set out in the school development plan.

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 £200,000.

At 31st August 2015, the Academy held funds of £29,209,889 of which £104,036 were unrestricted and £29,105,853 restricted. The Governors have decided that all the funds held at 31st August 2015 should be allocated into the 2015-16 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 yet be built up.

At 31 August 2015 the total funds comprised:

Unrestricted:		104,036
Restricted:	Fixed asset funds	28,987,065
	GAG	130,747
	Pension reserve	(20,000)
	Other	8,041
		<u>29,209,889</u>

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,

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

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 subcommittees, 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. Further, the Chair of Governors and Head Teacher review high risk areas as part of their regular meetings.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run 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 executive officers.

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 HR Committee (now 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 establishment of an HR committee 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 financial forecasts for the school.
- IT risks – multiple minor IT systems failures could compromise the school's ability to operate effectively and impact on other systems and operations. These risks are mitigated by the appointment of a dedicated Premises Manager and Operations Director 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

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

establishing clear objectives and targets for the short-to-medium term.

Our governor development plan is based on interviews with all the governors about their performance, experiences and reflections. It has four key priorities:

- To advance plans, and secure approval, for a school sixth form
- To develop our employability strategy to evaluate and enhance the school's offer and further support students
- To develop an integrated fundraising and business development strategy
- To enhance our focus on governor training to ensure that we remain well placed to offer the school the right balance of support and challenge

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the trustees are aware:

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

This report, incorporating the Strategic Report, was approved by order of the board of trustees, as the company directors, on 10/12/15 and signed on the board's behalf by:


.....
Ms A Johns
Chair of Trustees

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Sanjay Maraj	6	7
Toby Blume	7	7
Roger Chapman	5	7
Jon Hindmarsh	7	7
Avis Johns, Chair of Governors	7	7
Sarah Pearce	7	7
Sarah Cohen	6	7
Colin Chouthi	6	7
Gareth Davies	5	7
Patricia Choiral	6	7
Katherine Klinger	5	6
Leighton Morgan	7	7
Hannah Forster	7	7
Mick Quigley, Head Teacher	7	7
Lillian Caller	5	7
Andry Moustras	7	7
Cathy Whitelock	6	7
Martin Bright	5	6
Ludmilla Felic	3	3

Lucy Harrison was not a trustee during the year, but attended 6 meetings of a possible 7.

Three original trustees, and school founders, of the governing body resigned at the end of the academic year following the recommendations made by an external review of the governing body undertaken by the University of Roehampton in 2014. The review noted that there was a need to focus on succession planning to safeguard the continued performance of the board. As the governing body was formed when the school opened, there was the theoretical possibility that all of the governors could leave at the end of their initial four-year terms. To address this, Sarah Cohen, Colin Chouthi and Gareth Davies volunteered to stand down in order to create vacancies for new governors. This resulted in a recruitment process to appoint three new community governors.

The recruitment drive was successful and three new governors joined the board: Bryan Marcus, Joel Rومانer and Seema Shah.

An internal review of governance, with particular regard to the committee structure, was carried out during the

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

summer term to determine whether changes were required. That review concluded that: the Human Resources and Premises committees be combined into a General Resources Committee, that the Communications and Community Engagement Committee become a working group – principally supporting staff on operational matters – and that the Fundraising and Business Development working group become a permanent Committee of the Governing Body. To address particular time-limited requirements, it was proposed that Working Groups be convened on 6th Form Development and Employability. All the recommendations of the Review were agreed by the Governors and implemented from the 1st September 2015.

The finance and audit committee is a sub-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.

During the year Joel Rومانer, who is a qualified accountant, joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Toby Blume (Chair)	10	10
Patricia Choiral	8	10
Colin Chouthi	7	10
Hannah Forster	8	10
Mick Quigley (Headteacher and Accounting Officer)	9	10
Janet McKie (Business Manager and Chief Financial Officer) [ex-officio]	3	4
Leanne Chase (Finance Director and Chief Financial Officer) (appointed 09/02/15)	5	5
Joel Rومانer	0	0

REVIEW OF VALUE FOR MONEY

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

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

The Archer Academy takes a prudent approach to expenditure. With approximately 61% of the Academy Trust 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 Trust's payroll is maintained by Capita, and detailed monthly reconciliations of payroll are undertaken by the Finance Director to ensure that payments to staff are correct.

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 2014/15 spending across school departments was streamlined. Strategic risks were 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 2014/15 the Archer Academy placed a higher priority on scrutinising purchase order requests in order to reduce the likelihood of wasteful spending.

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 innovative ideas in order 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 it 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. Similarly some services have been taken in house such as the employment of our own site manager and caretaker, who are skilled in repairs and maintenance – in order to achieve better value for money.

Better Income Generation

Our brand new purpose built school in Stanley Road became operational from September 2015 offering future opportunities to improve income generation: particularly in the area of sporting facilities. Our working relationship with Schools Plus, who manage the letting of our building outside of school hours, is strong and we are well placed to secure strong income generation in this area.

As the Archer Academy continues to expand, becoming a campus school from September 2016, we recognise the need to further embed strong and clear management systems to ensure effective use of resources and the efficient running of the school. We aim to build further, upon our first two strong years as a school, and continue to provide an excellent education for our students.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint MHA Macintyre Hudson as internal auditor.

The internal audit's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor 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 internal auditor'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 internal auditor reports to the board of trustees on the schedule of work 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. Issues arising have been addressed by the trustees.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

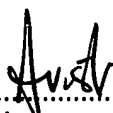
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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.

Approved by order of the members of the board of trustees on 10/12/15 and signed on its behalf, by:


.....
A Johns
Chair of Trustees


.....
L Harrison
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 board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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

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


.....
L Harrison
Accounting Officer

Date: 10/12/15

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

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 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:

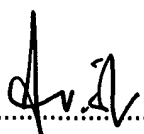
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

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


.....
A Johns
Chair

Date: 10/12/15

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHER ACADEMY

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHER ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



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

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Euro House

1394 High Road

London

N20 9YZ

Date:

14th December 2015

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 1 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Archer Academy during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

Euro House
1394 High Road
London
N20 9YZ

Date: 14th December 2015

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted funds - Fixed Asset 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	16,296	25,795	-	42,091	41,254
Activities for generating funds	3	36,860	-	-	36,860	12,814
Investment income	4	1,007	-	-	1,007	409
Incoming resources from charitable activities	5	109,391	2,534,510	6,079,143	8,723,044	5,189,759
Exceptional item	6	-	-	-	-	12,659,299
TOTAL INCOMING RESOURCES		163,554	2,560,305	6,079,143	8,803,002	17,903,535
RESOURCES EXPENDED						
Charitable activities	8	134,849	2,348,373	350,076	2,833,298	1,829,666
Governance costs	9	-	26,937	-	26,937	11,706
TOTAL RESOURCES EXPENDED	7	134,849	2,375,310	350,076	2,860,235	1,841,372
NET INCOMING RESOURCES BEFORE TRANSFERS		28,705	184,995	5,729,067	5,942,767	16,062,163
Actuarial gains and losses on defined benefit pension schemes		-	(4,000)	-	(4,000)	(7,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		28,705	180,995	5,729,067	5,938,767	16,055,163
Total funds at 1 September 2014		75,331	(62,207)	23,257,998	23,271,122	7,215,959
TOTAL FUNDS AT 31 AUGUST 2015		104,036	118,788	28,987,065	29,209,889	23,271,122

All activities relate to continuing operations.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

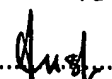
The notes on pages 24 to 44 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		28,987,065		23,257,998
CURRENT ASSETS					
Debtors	15	569,171		1,849,570	
Cash at bank		1,150,191		905,446	
		<u>1,719,362</u>		<u>2,755,016</u>	
CREDITORS: amounts falling due within one year	16	(1,476,538)		(2,732,892)	
NET CURRENT ASSETS			<u>242,824</u>		<u>22,124</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,229,889</u>		<u>23,280,122</u>
Defined benefit pension scheme liability	23		(20,000)		(9,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>29,209,889</u></u>		<u><u>23,271,122</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income funds	17	138,788		(53,207)	
Fixed asset fund	17	28,987,065		23,257,998	
Restricted funds excluding pension liability		<u>29,125,853</u>		<u>23,204,791</u>	
Pension reserve		<u>(20,000)</u>		<u>(9,000)</u>	
Total restricted funds			<u>29,105,853</u>		<u>23,195,791</u>
General fund - unrestricted	17		<u>104,036</u>		<u>75,331</u>
TOTAL FUNDS			<u><u>29,209,889</u></u>		<u><u>23,271,122</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 10/12/15 and are signed on their behalf, by:



A Johns
 Chair of Governors



T Blume
 Chair of Finance

The notes on pages 24 to 44 form part of these financial statements.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	6,322,881	4,306,388
Returns on investments and servicing of finance	20	1,007	409
Capital expenditure and financial investment	20	(6,079,143)	(3,737,352)
INCREASE IN CASH IN THE YEAR		244,745	569,445

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

	2015 £	2014 £
Increase in cash in the year	244,745	569,445
MOVEMENT IN NET FUNDS IN THE YEAR	244,745	569,445
Net funds at 1 September 2014	905,446	336,001
NET FUNDS AT 31 AUGUST 2015	1,150,191	905,446

The notes on pages 24 to 44 form part of these financial statements.

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Incoming resources

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

Grants Receivable

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

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

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

Donations

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

Other income

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

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, 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 2015

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. 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.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the balance sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

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

Impairment losses are recognised in the Statement of Financial Activities.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life. Assets are only depreciated once in use.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those 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
Assets under construction	-	Not depreciated until brought into use
Freehold land	-	Not depreciated

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 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 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 Funding Agency, Department for Education or other funders.

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

1.9 Operating leases

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	16,296	25,795	42,091	41,254

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	19,525	-	19,525	3,450
Fundraising	17,335	-	17,335	9,364
	36,860	-	36,860	12,814

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	1,007	-	1,007	409

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,116,094	2,116,094	1,060,269
Pupil Premium	-	103,395	103,395	50,438
Capital grants	-	6,059,736	6,059,736	3,737,352
Start-up grants	-	168,500	168,500	200,000
Other EFA /DfE grants	-	28,375	28,375	45,190
	-	8,476,100	8,476,100	5,093,249
Other government grants				
Special educational projects	-	76,088	76,088	13,886
	-	76,088	76,088	13,886
Other funding				
Other income	25,784	61,465	87,249	37,527
Catering income	83,607	-	83,607	45,097
	109,391	61,465	170,856	82,624
	109,391	8,613,653	8,723,044	5,189,759

6. EXCEPTIONAL ITEM

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Revaluation of land and buildings	-	-	-	12,659,299

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

7. RESOURCES EXPENDED

	Staff costs	Other costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Direct costs - Educational operations	1,183,954	258,500	1,442,454	967,535
Support costs - Educational operations	466,968	923,876	1,390,844	862,131
Charitable activities	1,650,922	1,182,376	2,833,298	1,829,666
Governance	-	26,937	26,937	11,706
	1,650,922	1,209,313	2,860,235	1,841,372

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	965,133	588,060
National insurance	84,108	54,203
Pension cost	134,713	82,028
Educational supplies	119,367	121,715
Examination fees	-	1,046
Staff development	12,668	12,465
Technology costs	7,837	29,689
Other direct costs	118,628	78,329
	<u>1,442,454</u>	<u>967,535</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	385,700	208,220
National insurance	25,064	14,249
Pension cost	51,788	19,224
Depreciation	350,076	245,863
Agency and other staff costs	4,416	19,326
Educational supplies	9,812	8,324
Security	2,231	842
Technology costs	47,167	2,076
Educational consultancy	26,465	25,247
Travel and subsistence	37,087	27,587
Maintenance of premises and equipment	32,555	20,416
Recruitment and support	2,741	12,597
Rent and rates	50,030	22,648
Energy	37,165	28,943
Insurance	13,377	18,212
Catering	106,871	61,387
Other occupancy costs	44,054	29,314
Other support costs	125,278	65,981
Professional services	38,967	31,675
	<u>1,390,844</u>	<u>862,131</u>
	<u><u>2,833,298</u></u>	<u><u>1,829,666</u></u>

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

9. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	12,125	12,125	4,500
Accountancy fees	8,500	8,500	5,250
Governance costs	6,312	6,312	1,956
	26,937	26,937	11,706

10. NET INCOMING RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	350,076	245,863
Auditors' remuneration	12,125	4,500
Auditors' remuneration - non-audit	8,500	5,250
Operating lease rentals:		
- other operating leases	1,584	-

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,350,833	796,280
Social security costs	109,172	68,452
Other pension costs (see note 23)	186,501	101,252
	1,646,506	965,984
Agency costs	4,416	19,326
	1,650,922	985,310

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

11. STAFF (continued)

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	20	12
Administration and support	16	11
Management	4	4
	<hr/>	<hr/>
	40	27
	<hr/>	<hr/>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1
	<hr/>	<hr/>

The above bandings state employee emoluments before employer's pension contributions. Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £22,172 (2014: £21,440).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £595 (2014 - £482). The cost of this insurance is included in the total insurance cost.

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

13. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. The value of Trustees' remuneration and pension contributions in the year to 31 August 2015 was as follows:

M Quigley (Headteacher and trustee):

Remuneration £85,000 - £90,000 (2014: £85,000 - £90,000)

Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

G Davies (staff trustee):

Remuneration £15,000 - £20,000 (2014: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

L Morgan (staff trustee):

Remuneration £50,000 - £55,000 (2014: £50,000 - £55,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

L Felic (staff trustee):

Remuneration £5,000 - £10,000 (2014: £Nil)

Employer's pension contributions £0 - £5,000 (2014: £Nil)

During the year, 1 trustee was reimbursed £270 for telephone expenses (2014 - 1 trustee was reimbursed £176 for telephone expenses).

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 September 2014	19,754,000	131,996	344,502	3,273,363	23,503,861
Additions	5,355,447	567,940	155,756	-	6,079,143
Transfer between classes	3,273,363	-	-	(3,273,363)	-
At 31 August 2015	28,382,810	699,936	500,258	-	29,583,004
Depreciation					
At 1 September 2014	130,000	12,816	103,047	-	245,863
Charge for the year	204,664	22,774	122,638	-	350,076
At 31 August 2015	334,664	35,590	225,685	-	595,939
Net book value					
At 31 August 2015	28,048,146	664,346	274,573	-	28,987,065
At 31 August 2014	19,624,000	119,180	241,455	3,273,363	23,257,998

Additions to freehold property in the year of £5,355,447 include £112,561 in relation to the Beaumont Close building and £5,242,886 in relation to the Stanley Road building. The transfer of £3,273,363 represents the completion of the Stanley Road building.

Included within freehold property is freehold land of £10.994 million which is not depreciated.

15. DEBTORS

	2015 £	2014 £
Trade debtors	9,877	-
VAT repayable	151,090	705,207
Other debtors	129,092	278,113
Prepayments and accrued income	279,112	866,250
	569,171	1,849,570

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

16. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	757,720	1,723,765
EFA creditor: loan	-	16,634
EFA creditor: VAT	330,168	311,163
Other creditors	138,544	278,800
Accruals and deferred income	250,106	402,530
	1,476,538	2,732,892

The EFA loan of £16,634 in respect of start-up funding was repaid during the year.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General funds	75,331	163,554	(134,849)	-	104,036
Restricted funds					
General Annual Grant (GAG)	(59,925)	2,116,094	(1,925,422)	-	130,747
Donations	6,718	25,795	(19,654)	-	12,859
Other EFA/DfE grants	-	376,359	(375,616)	-	743
Other restricted income	-	42,057	(47,618)	-	(5,561)
Pension reserve	(9,000)	-	(7,000)	(4,000)	(20,000)
	(62,207)	2,560,305	(2,375,310)	(4,000)	118,788
Restricted fixed asset funds					
Assets on conversion	18,913,436	476,508	(350,076)	-	19,039,868
EFA capital grant	4,344,562	5,602,635	-	-	9,947,197
	23,257,998	6,079,143	(350,076)	-	28,987,065
Total restricted funds	23,195,791	8,639,448	(2,725,386)	(4,000)	29,105,853
Total of funds	23,271,122	8,803,002	(2,860,235)	(4,000)	29,209,889

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 other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium, SEN funding and school trips for which income received is used to cover costs associated with these activities. The deficit of £5,561 on other restricted income represents amounts in advance of funding being received.

The defined benefit pension scheme relates to the pension deficit arising on the local government pension scheme. The fund is in deficit but given the nature of the liability this is not payable immediately.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the Barnet local authority following the transfer of the land and buildings.

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 2015.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	28,987,065	28,987,065	23,257,998
Current assets	104,036	1,597,314	18,012	1,719,362	2,755,017
Creditors due within one year	-	(1,458,526)	(18,012)	(1,476,538)	(2,732,893)
Pension scheme liability	-	(20,000)	-	(20,000)	(9,000)
	<u>104,036</u>	<u>118,788</u>	<u>28,987,065</u>	<u>29,209,889</u>	<u>23,271,122</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	5,942,767	16,062,163
Interest receivable	(1,007)	(409)
Depreciation of tangible fixed assets	350,076	-
Decrease/(increase) in debtors	1,280,399	(1,196,459)
(Decrease)/increase in creditors	(1,256,354)	2,098,392
Revaluation of land and buildings	-	(12,659,299)
FRS 17 adjustments, contributions net of service cost	7,000	3,000
Net cash inflow from operations	<u>6,322,881</u>	<u>4,306,388</u>

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,007	409
	<u>1,007</u>	<u>409</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(6,079,143)	(3,737,352)
	<u>(6,079,143)</u>	<u>(3,737,352)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	905,446	244,745	-	1,150,191
Net funds	<u>905,446</u>	<u>244,745</u>	<u>-</u>	<u>1,150,191</u>

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.

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

23. 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 defined multi-employer benefit schemes.

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

Contributions amounting to £4,677 were payable to the LGPS and £10,443 were payable to the TPS at 31 August 2015 (2014 - Nil) and both are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

23. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £133,716 (2014: £81,565).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £50,000, of which employer's contributions totalled £41,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 25.8% 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.

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	5.90	51,000
Bonds	5.90	25,000
Cash	5.90	1,000
 Total market value of assets		 77,000
Present value of scheme liabilities		(97,000)
 Deficit in the scheme		 (20,000)

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

23. PENSION COMMITMENTS (continued)

The expected return of 5.90% represents the average expected return on the above assets.

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(97,000)	(36,000)
Fair value of scheme assets	77,000	27,000
	<hr/>	<hr/>
Net liability	(20,000)	(9,000)
	<hr/>	<hr/>

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

	2015 £	2014 £
Current service cost	(48,000)	(20,000)
Interest on obligation	(3,000)	-
Expected return on scheme assets	3,000	1,000
	<hr/>	<hr/>
Total	(48,000)	(19,000)
	<hr/>	<hr/>
Actual return on scheme assets	-	1,000
	<hr/>	<hr/>

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

	2015 £	2014 £
Opening defined benefit obligation	36,000	-
Current service cost	48,000	20,000
Interest cost	3,000	-
Contributions by scheme participants	9,000	4,000
Actuarial Losses	1,000	7,000
Benefits paid	-	4,000
Adjustment to prior year valuation	-	1,000
	<hr/>	<hr/>
Closing defined benefit obligation	97,000	36,000
	<hr/>	<hr/>

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

23. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	27,000	-
Expected return on assets	3,000	1,000
Actuarial gains and (losses)	(3,000)	-
Contributions by employer	41,000	17,000
Contributions by employees	9,000	4,000
Benefits paid	-	4,000
Adjustment to prior year valuation	-	1,000
	<u>77,000</u>	<u>27,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(11,000) (2014 - £(7,000)).

The Academy expects to contribute £37,000 to its Defined Benefit Pension Scheme in 2016.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.90 %	5.90 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
Retail price index (RPI) assumption	3.60 %	3.50 %

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

	2015	2014
Retiring today		
Males	22.1	22.0
Females	24.4	24.3
Retiring in 20 years		
Males	24.2	24.1
Females	26.8	26.7

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

23. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(97,000)
Scheme assets	77,000
Deficit	(20,000)
Experience adjustments on scheme liabilities	(1,000)
Experience adjustments on scheme assets	(3,000)

Sensitivity analysis

The following show how the sensitivity measurement of scheme liabilities would have been affected by changes in the relevant assumption that were reasonably possible at the balance sheet date:

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	94	97	100
Projected service cost	47	49	51
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	99	97	95
Projected service cost	50	49	48

24. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiry date:		
Within 1 year	1,164	3,241
Between 2 and 5 years	420	1,164
Total for assets other than land and buildings	1,584	4,405

THE ARCHER ACADEMY
(A Company Limited by Guarantee)

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

25. 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 a trustee 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.

During the year, Patrick Leacock, the husband of Avis Johns, the chair of governors, received £5,024 (2014: £3,080) for the provision of mentoring for SEN and after school clubs. There was no balance outstanding at the year end (2014 Nil).

No formal tendering process was carried out to ensure that the related party did not receive payment on terms preferential to those offered to other with no connection with the Academy. However, the governors had agreed fees with Patrick based on costs only and are satisfied that amounts billed were significantly below those available on an arms length basis.

Other related party transactions relating to the trustees are detailed above in notes 12 and 13.

26. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

27. CAPITAL COMMITMENTS

The Academy has committed to undertake capital works after the balance sheet date of £28,442.

The procurement of the works and subsequent contractual engagement of RM to provide ICT services for the Academy were undertaken by the Department for Education (DfE) – Education Funding Agency (EFA).

The Archer Academy are a key stakeholder with the design and specification of the works and upon receipt of a Funding Approval Letter (FAL) from EFA are authorised to enter into contract to the stated funding level with named suppliers. The EFA commissioned professional services to administer the procurement of works and the subsequent delivery. The EFA undertake rigorous internal scrutiny of the procurement to ensure that probity, best practice and value for money have been obtained and only when satisfied issue the FAL to the academy Trust.