

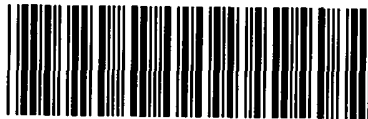
Redhill Academy Trust

Registered number: 07430317

Trustees report and financial statements

For the year ended 31 August 2015

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REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS
AND ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Trustees

Mr S Hopkins, Chair
Mr M Booth*
Mr B Bexton*
Mr B Daley*
Mr S Shaw*
Ms S Hopkin*
Mr J Bond*
Mrs D Haynes*
Mr S Mathers*
Mr D Wood*
Mr K Edwards
Mr M Payne* (appointed 1 September 2015)

Members

Mrs C Harrison
Mrs F Gray

* members of Redhill Academy Trust

Company registered number

07430317

Principal and registered office

Redhill Road, Nottingham, Nottinghamshire, NG5 8GX

Company secretary

Mr J French

Executive management team

Executive Principal, Mr A Burns
Head Teacher - Redhill Academy, Mr S Bowhay
Head Teacher - Carlton Academy, Mr R Pierpoint
Head Teacher - Hall Park Academy, Mrs S Dyce
Head Teacher - Oakwood Academy, Mrs A Healey
Finance Director, Mr J French
Project Director, Miss A Robinson

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

Administrative details (continued)

Independent auditors

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Bankers

Lloyds Bank, 2 Davies Road, West Bridgford, Nottingham, NG2 5JD

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

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

The Trust operates five academies for pupils aged 11 to 18 serving catchment areas in Nottinghamshire. It has a pupil capacity of 3,355 and had a roll of 2,767 in the school census in 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.

On the 1 April 2015, Bigwood School joined the Redhill Academy Trust as the Oakwood Academy.

On the 1 April 2015, Sherwood EACT Academy joined the Redhill Academy Trust, following an agreed transfer from EACT.

The Trustees of Redhill Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Redhill 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

The Trustees have liability insurance with Ecclesiastical Insurance effective date 1 December 2014. There is a limit of indemnity of £2,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are elected and co-opted under the terms of the Articles of Association. Any Trustee elections will be held as soon as practicable after the occurrence of a vacancy.

Trustees of the Executive Board are appointed by the Members and appointment of Local Governing Body members is delegated to each Academy.

Policies and Procedures Adopted for the Induction and Training of Trustees

As there are normally no more than two or three appointments a year, induction is informal and is tailored specifically to the individual role they perform. The Trust procures training from the Local Authority for Governors and training is a set agenda item at all full governor meetings.

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association. Trustees during the year ending 31 August 2015 were as follows:

- Mr S Hopkins, Chair
- Mr M Booth
- Mr B Bexton
- Mr B Daley
- Mr S Shaw
- Ms S Hopkin
- Mr J Bond
- Mrs D Haynes
- Mr D Wood
- Mr S Mathers
- Mr K Edwards

The Members delegate responsibility to the Executive Board of Trustees for making major decisions about the strategic direction of all Academies and the appointment of the principals. The Trustees are also legally appointed representatives of the trust under the Companies Act 2006 and the Charities Act 2011. A list of Trustees can be found on Pg 13.

The Executive Board of Trustees delegate to Local Governing Bodies of each Academy the responsibility for decisions surrounding: setting general policy; adopting an annual plan and budget; monitoring each Academy (by the use of budgets); and capital expenditure. Those individuals appointed to each Local Governing Body during the year ended 31 August 2014 are as follows:

Redhill Academy Governors:

- Mr S Hopkins Chair*
- Mr S Shaw Vice Chair*
- Mr D Wood*
- Mr B Daley*
- Mr J Fahy
- Mr M Booth*
- Mrs D Haynes*
- Mr J Bond*
- Miss A Gascoigne
- Mr M Payne
- Mr A Burns ex officio
- Mrs L Coxon*
- Mr M Robinson*
- Mrs S Crichton
- Mrs C Hawker*
- Mr B Bexton*
- Ms F Gray
- Mr P McFadden

*Members of the Business Advisory Committee

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Carlton Academy Governors:

- Mr T Butcher* (left May 2015)
- Mr D Judge
- Mr J Faulconbridge* (left May 2015)
- Mrs C Vernon*
- Mrs K Weston
- Mr S Mathers* Chair
- Ms S Hopkin*
- Miss E Sharp (left May 2015)
- Miss R Sharp
- Mr M Bray*
- Miss P Battershall*
- Mrs H Moody*
- Mr R Pierpoint* ex officio

*Members of the Business Advisory Committee

Hall Park Academy Governors:

- Mr K Edwards* Chair
- Ms K Bratby*
- Mr A Leary*
- Mr S Parker*
- Mrs C Radcliffe*
- Mr D Hill*
- Cllr K Longdon*
- Ms H Prescott*
- Mr S Ufton*
- Mr D Banner*
- Mr P Smith* (Joined 04/07/2015)
- Ms D Hinds* (Joined 04/07/2015)
- Mrs S Dyce* ex officio

*Members of the Business Advisory Committee

Oakwood Academy Governors

- Ms J Sensier*
- Ms Y Oliver-Mighten*
- Mrs C Posnett*
- Mr M Trodd*
- Mr D Hallam*
- Mr E Adjaidoo*
- Mr M Bailey*
- Mr J Urquhart*
- Ms M Stokes*
- Mr D Watkins*
- Mrs A Healey* ex officio

*Members of the Business Advisory Committee

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Sherwood Academy Governors

- Mrs S Marland
- Mrs S Curson
- Mrs N Anderson
- Dr N Gostick
- Mrs J Anderson-Moore
- Mr M Sharpe

Executive Leadership Group

The Executive Leadership Group manage and control each Academy at an executive level implementing the policies laid down by the Trustees and Governors and report back to them. The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Spending control is devolved to individual Head teachers and subsequently some control is devolved to Department Heads. For the period 2014/15 the Leadership Group comprises; the Executive Principal; at each academy with the exception of Sherwood EACT Academy, there is one Head of School, one deputy head teacher, four assistant head teachers and an operations manager and at the Redhill Academy only is a business manager with a finance and ICT remit across the trust.

Related Parties and other Connected Charities and Organisations

The organisation, Redhill Academy, changed its name to the Redhill Academy Trust on 1st September 2011. This change was made to more easily distinguish between the subsidiary Redhill Academy and the company. This change also coincided with the trust becoming directly responsible for the operations of the Carlton Academy. The Carlton Academy was previously supported by the Redhill Academy to raise academic standards.

The Hall Park Academy joined the Trust on 1st July 2014, Oakwood Academy and Sherwood EACT Academy joined the Trust on 1st April 2015.

S Hopkins, Director of the Trust, is also a Director of Firth and Scott. No direct purchases were made from Firth and Scott during 2014/15.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In accordance with the articles of association, the charitable company has entered into a relevant funding agreement with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise standards of academic achievements of all students;
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- To provide value for money on funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce; and
- To conduct the Academies business in accordance with the highest standards of integrity, probity and openness

Objectives, strategies and activities

- Provide high quality, outstanding, teaching for all students.
- Valuing and celebrating academic achievement
- High expectations of all students
- Widening students' experiences through a range of extra-curricular activities including sports, music and the performing arts.

Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commissions general guidelines on public benefit.

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

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

Key financial performance indicators

Redhill Academy

Total students are as follows against a PAN of 225:

Year 7 – 274
Year 8 – 232
Year 9 – 226
Year 10 – 228
Year 11 – 222
Year 12 – 98
Year 13 93

Examination Results for 2015:

A* - C inc Eng/Mths	68%
A* - C	73.4%
A* - G	97.3%
Ebacc	34.7%
Attendance	96.3%

Key Finance Indicators

Staff costs are 99% of GAG income and 70% of all income
Agency staff costs are less than 2% of total staff costs
3.1% of GAG income spent on Repairs & Maintenance costs

The Carlton Academy

Total Students against a PAN of 160:

Year 7 – 168
Year 8 – 141
Year 9 – 168
Year 10 – 93
Year 11 – 102
Year 12 – 37
Year 13 – 43

Examination Results for 2015:

A* - C inc Eng/Mths	63.7%
A* - C	71.6%
A* - G	98%
Ebacc	16.7%
Attendance	94.66%

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Key Finance Indicators

Staff costs are 101% of GAG income
Agency staff costs are 1.7% of total staff costs
Lettings income is less than 0.2% of GAG income
2.7% of GAG income is spent on Repairs & Maintenance costs

Hall Park Academy

Total Students against a PAN of 180:

Year 7 – 119
Year 8 – 100
Year 9 – 105
Year 10 – 99
Year 11 – 112
Year 12 – 57
Year 13 – 30

Examination Results for 2015:

A* - C inc Eng/Mths	59%
A* - C	64%
A* - G	97%
Ebacc	5%
Attendance	94.5%

Key Finance Indicators

Staff costs are 108% of GAG income and 84% of all income
Agency staff costs are less than 2% of total staff costs
4% of GAG income is spent on Repairs & Maintenance costs

Oakwood Academy

Total Students against a PAN of 150:

Year 7 – 129
Year 8 – 143
Year 9 – 148
Year 10 – 144
Year 11 – 142

Examination Results for 2015:

A* - C inc Eng/Mths	37%
A* - C	53%
A* - G	99%
Ebacc	9%
Attendance	95.77%

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Key Finance Indicators

Staff costs are 74% of GAG income
Agency staff costs are 2.23% of total staff costs

Sherwood EACT Academy

Total Students against a PAN of 120:

Year 10 – 26
Year 11 – 87

Examination Results for 2015:

A* - C inc Eng/Mths	34.5%
A* - C	42.5%
A* - G	87.4%
Ebacc	3.4%

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health & Safety Policy

In accordance with the charitable company's memorandum and articles of association are the primary governing documents of the academy trust's Equal Opportunities Policy, the charitable company's memorandum and articles of association are the primary governing documents of the academy trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the charitable company's memorandum and articles of association are the primary governing documents of the academy trust's offices.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW

Reserves policy

The Trustees policy is to review the reserve levels of the Trust annually. The policy of the Trust is to carry out a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to constraint that the level of resources does not exceed the level permitted by the EFA.

The Trust has a policy of carrying forward internal under / overspends. This does result in an increase in the Trust reserve.

Investment policy

The Trust's investment policy is to maximise the benefit of all cash reserves through individual investment accounts. During the year these investment accounts have been used minimally, with small benefits achieved.

Principal risks and uncertainties

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The Trust has inherited the Local Government defined benefit pension scheme deficit for associated staff for which a reduction plan is in place as advised by Barnett Waddingham, the pension actuarial experts.

The principal risks for the Trust during the next few years are:

- Decrease in the number of students on roll
- Change in funding mechanism from the Education Funding Agency
- Competition from neighbouring organisations
- Decline in academic standards.
- Funding cuts from central government, coinciding with regulated increases in payroll expenditure

Review of the year

The Trust is funded by the Education Funding Agency (EFA) using the Nottinghamshire Local Authority Funding formula. In addition the Trust receives Education Services Grant and Pupil Premium funding from the EFA.

This is the third full year as an academy for the Redhill Academy and the second for the Carlton Academy and the results show an overall income of £43,770,197.

At the year end, the Trust has a positive balance sheet position with net assets totalling £61,833,816.

The local government pension scheme deficit has increased to £5,300,000.

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

PLANS FOR THE FUTURE

Future developments

The strategy of the Trust is to expand further if a suitable opportunity should arise. However, there is no ongoing project to expand at this moment. The Trust agrees to look at each opportunity on merit and its impact on current provision. The Trust will continue to work with its existing academies to strive to realise improvements in the performance of the students at all levels. Each academies improvement plan contains details on how these objectives will be achieved. The Sherwood Academy is due for closure on 31 August 2016.

Funds held as custodian trustee on behalf of others

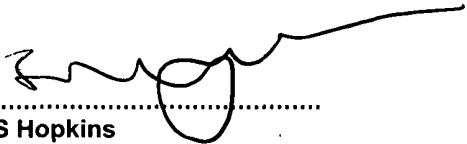
The Trust does not act as custodian trustee for other funds.

Auditor

Insofar 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 14/12/15 and signed on the board's behalf by:


.....
Mr S Hopkins
Chair of Trustees

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Redhill 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 Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Redhill 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 Trustees' Responsibilities Statement. The Board of Trustees has formally met 3 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
Mr S Hopkins, Chair	4	4
Mr M Booth*	2	4
Mr B Bexton*	4	4
Mr B Daley*	3	4
Mr S Shaw*	4	4
Ms S Hopkin*	2	4
Mr J Bond*	4	4
Mrs D Haynes*	3	4
Mr S Mathers*	4	4
Mr D Wood*	4	4
Mr K Edwards	2	4

The Executive Board structure has remained constant throughout 2014/15 with no additional members.

One change in governance in the previous year is the introduction of an Executive Audit Committee, which meets three times a year, with the remit of controlling the financial risks of the Trust, and ensuring effective regulatory of individual finance teams.

The addition of two new academies to the Trust on 1st April, 2015 coincided with a whole review of governance arrangements for the Trust. It was decided to streamline governing bodies to make them fit for purpose, in line with individual Academy representation on the Executive Board. This has resulted in a reduction of at least one member each Governing Body. At the same time the Executive Board increased by one member, increasing the political awareness and influence of the Board. The next review will take place April 2016.

There is a Finance and Audit Committee of the Executive Board which is responsible for the oversight of the various responsibilities for preparation of draft budgets, approval of journals and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure etc. However, monitoring of local schools is delegated to each Local Governing Body.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Audit Committee is also a sub committee of the main Board of Trustees. Its purpose is to satisfy itself that the financial affairs of the individual Academies are correctly represented and that the funds received from the Education Funding Agency (EFA) are used in accordance with the Financial Regulations agreed by the Executive Board.

Including:

- review and advise the Executive Board on the internal and external auditors' assessment of the effectiveness of the individual Academy's financial and other control systems, including controls specifically to prevent or detect fraud or other irregularities, as well as those for securing economy, efficiency and effectiveness
- review and advise the Board on its compliance with corporate governance requirements and good practice guidance
- review the Risk Register formally and advise on controls that need to be actioned

No specific issues have occurred throughout the year that the committee has been particularly concerned about.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Steve Hopkins	3	3
Kevin Edwards	3	3
Steve Mathers	3	3
Steve Shaw	3	3
Julian Bond - Chair	3	3

Review of Value for Money

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

The accounting officer 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:

During the year the Trust has developed collaborative working groups across nearly all disciplines, including both teaching and support functions.

An example of this is the ICT steering group that has been established to deliver the Trust ICT strategy, enabling more effective use of ICT resources and collaborative spending power.

The Trust also employed a Project Director with a remit of delivering increased grant income and necessary capital projects, such as the dining room refurbishment at Carlton Academy and the Maths block extension at the Redhill Academy.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Redhill Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Victoria Lievesley, as a Financial Consultant (FC) to fulfil that function.

The Financial Consultant's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a quarterly basis, the Financial Consultant 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.

REDHILL ACADEMY TRUST

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GOVERNANCE STATEMENT (continued)

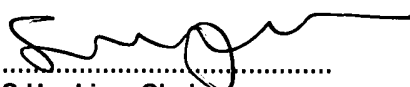
Review of Effectiveness

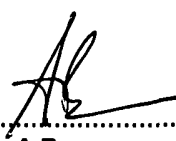
The Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Executive Principal has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer 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 14/12/15 and signed on its behalf, by:


.....
Mr S Hopkins, Chair
Trustee


.....
Mr A Burns
Executive Principal

REDHILL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Redhill Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook .

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 .

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.



.....
Mr A Burns
Executive Principal

Date: 14/12/15

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements 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 on 14/12/15 and signed on its behalf by:


.....
Mr S Hopkins, Chair
Director

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDHILL ACADEMY TRUST

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

Respective responsibilities of Trustees and auditors

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

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. This report is made solely to the charity's members as a body. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters 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.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDHILL ACADEMY TRUST

Matters on which we are required to report by exception

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

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



Martin Rogers (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 18th December 2015

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 21 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 Redhill Academy Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Redhill Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Redhill Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2010 and 1 September 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY
TO REDHILL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 18 December 2015.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	280,249	(1,575,850)	23,002,593	21,706,992	15,390,843
Activities for generating funds	3	882,901	265,044	-	1,147,945	841,172
Investment income	4	2,081	-	-	2,081	2,769
Incoming resources from charitable activities	5	-	18,905,844	1,462,453	20,368,297	13,635,864
Total incoming resources		1,165,231	17,595,038	24,465,046	43,225,315	29,870,648
Resources expended						
Costs of generating funds:						
Fundraising expenses and other costs	6	307,296	276,754	-	584,050	395,381
Charitable activities	6,7,8	308,958	19,708,990	1,602,766	21,620,714	13,996,637
Governance costs	9	-	251,009	-	251,009	116,019
Total resources expended		616,254	20,236,753	1,602,766	22,455,773	14,508,037
Net incoming / (outgoing) resources before transfers		548,977	(2,641,715)	22,862,280	20,769,542	15,362,611
Transfers between Funds	18	-	69,143	(69,143)	-	-
Net income for the year		548,977	(2,572,572)	22,793,137	20,769,542	15,362,611
Actuarial gains and losses	23	-	1,057,000	-	1,057,000	(443,000)
Net movement in funds for year		548,977	(1,515,572)	22,793,137	21,826,542	14,919,611
Total funds at 1 September 2014	18	647,476	(3,512,448)	42,872,246	40,007,274	25,087,663
Total funds at 31 August 2015	18	1,196,453	(5,028,020)	65,665,383	61,833,816	40,007,274

The Academy's activities in the current period relate to continuing and acquisition operations during the above two financial periods.

The notes on pages 26 to 49 form part of these financial statements.


REDHILL ACADEMY TRUST

Registered number: 07430317

(A Company Limited by Guarantee)**BALANCE SHEET****AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	14		65,210,264		42,872,245
Current assets					
Stocks	15	-		10,302	
Debtors	16	1,322,834		827,319	
Cash at bank		2,533,305		1,687,855	
		<u>3,856,139</u>		<u>2,525,476</u>	
Creditors: amounts falling due within one year	17	<u>(1,932,587)</u>		<u>(1,054,447)</u>	
Net current assets			<u>1,923,552</u>		<u>1,471,029</u>
Total assets less current liabilities			<u>67,133,816</u>		<u>44,343,274</u>
Defined benefit pension scheme liability	23		<u>(5,300,000)</u>		<u>(4,336,000)</u>
Net assets including pension scheme liability			<u><u>61,833,816</u></u>		<u><u>40,007,274</u></u>
Funds of the academy					
Restricted funds:					
Restricted funds	18	271,980		823,552	
Restricted fixed asset funds	18	65,665,383		42,872,246	
Restricted funds excluding pension liability		<u>65,937,363</u>		<u>43,695,798</u>	
Pension reserve	18	<u>(5,300,000)</u>		<u>(4,336,000)</u>	
Total restricted funds			<u>60,637,363</u>		<u>39,359,798</u>
Unrestricted funds	18		<u>1,196,453</u>		<u>647,476</u>
Total funds			<u><u>61,833,816</u></u>		<u><u>40,007,274</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on
14/12/15 and are signed on their behalf, by:


.....
Mr S Hopkins,
Chair of Trustees

The notes on pages 26 to 49 form part of these financial statements.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	826,463	850,648
Returns on investments and servicing of finance	21	2,081	2,769
Capital expenditure and financial investment	21	4,756	(362,243)
Cash transferred on conversion to an academy trust		12,150	24,643
Increase in cash in the year		845,450	515,817

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	845,450	515,817
Movement in net funds in the year	845,450	515,817
Net funds at 1 September 2014	1,687,855	1,172,038
Net funds at 31 August 2015	2,533,305	1,687,855

The notes on pages 26 to 49 form part of these financial statements.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Incoming resources

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

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.

Sponsorship income provided to the trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the 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 trust's accounting policies.

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

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.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.4 Resources expended

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

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

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

Governance costs include the costs attributable to the 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

Assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of assets is carried out if events or changes in circumstances indicate that the carrying value 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.

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

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:

L/Term Leasehold Property	-	Between 15 - 60 years
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	9 years straight line
Improvements to property	-	Between 20 - 25 years
Computer equipment	-	4 years straight line

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

The academy trust has capitalised the value of Sherwood Academy's land and buildings on the basis that the trust will only have use of the assets until 31 August 2016 when it is expected that they will revert back to the Local Authority.

1.6 Leased assets

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

1.7 Stocks

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

1.8 Taxation

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

1.9 Pensions

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

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

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Big Wood School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Redhill Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA and other funds. In respect of bursary funds, payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

1.13 Private finance initiative

The school buildings were built under a private finance initiative ("PFI") agreement between Nottingham City Council and Carillion Construction. When the school converted to an academy on 1 April 2015 the agreement was legally amended to take account of the change in circumstances.

The cost included in these financial statements for the year to 31 August 2015 is £504,583 and it is included in the Statement of Financial Activities under academy's educational operations. The Education Funding Agency currently fund PFI factors 1 and 2 which totalled £342,198 during the year and the academy fund the operational charges which amounted to £102,701, plus ongoing PFI benchmarking charges. Each year the payments are subject to an increase which is linked to the retail price index.

As the private finance initiative liability does not rest with the academy, the trustees have decided to treat the payments made in the year to 31 August 2015, as if they were made under an operating lease agreement on the grounds that these payments related entirely to operating and maintenance costs.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Assets transferred upon conversion	127,006	21,734,793	21,861,799	15,366,200
School fund donated on conversion	-	12,150	12,150	24,643
Donations upon the transfer of an existing academy	153,243	(320,200)	(166,957)	-
	<u>280,249</u>	<u>21,426,743</u>	<u>21,706,992</u>	<u>15,390,843</u>

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	102,440	-	102,440	48,334
Catering income	237,890	-	237,890	165,364
Rental income	10,850	-	10,850	10,800
Sundry income	531,721	-	531,721	388,368
School trips	-	265,044	265,044	228,306
	<u>882,901</u>	<u>265,044</u>	<u>1,147,945</u>	<u>841,172</u>

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	<u>2,081</u>	<u>-</u>	<u>2,081</u>	<u>2,769</u>

REDHILL ACADEMY TRUST
(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 grants				
General Annual Grant (GAG)	-	16,463,956	16,463,956	11,214,887
Start up grants	-	448,753	448,753	657,006
Other DfE/EFA grants	-	1,685,972	1,685,972	1,123,141
Capital grants	-	942,948	942,948	241,864
	-	19,541,629	19,541,629	13,236,898
Other government grants				
Local authority grants	-	307,163	307,163	398,966
LA capital grants	-	519,505	519,505	-
	-	826,668	826,668	398,966
	-	20,368,297	20,368,297	13,635,864

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	-	-	584,050	584,050	395,381
- Direct costs	12,317,018	881,521	1,639,792	14,838,331	10,050,987
- Allocated support costs	3,493,108	2,284,571	1,004,704	6,782,383	3,945,650
Sub total	15,810,126	3,166,092	3,228,546	22,204,764	14,392,018
Governance costs including allocated support costs	-	-	251,009	251,009	116,019
Total	15,810,126	3,166,092	3,479,555	22,455,773	14,508,037

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Direct costs

	Total 2015 £	Total 2014 £
Teaching and educational support staff	12,317,018	8,053,869
Depreciation	881,521	760,913
Technology costs	230,708	89,184
Educational supplies	452,374	294,198
Examination fees	262,867	193,593
Staff development	90,443	83,827
Educational consultancy	14,145	-
Other direct costs	589,255	575,403
Total	14,838,331	10,050,987

8. Support costs

	Total 2015 £	Total 2014 £
Support staff costs	3,493,108	2,369,614
Depreciation	721,245	219,170
Technology costs	188,763	98,571
Recruitment and support	101,631	65,924
Maintenance of premises and equipment	924,137	322,644
Cleaning	54,623	36,125
Rent and rates	235,098	77,034
Energy costs	465,673	325,548
Insurance	160,705	129,447
Security and transport	129,286	42,251
Bank interest and other charges	3,327	2,293
Other support costs	304,787	257,029
Total	6,782,383	3,945,650

9. Governance costs

	Total funds 2015 £	Total funds 2014 £
Legal and professional fees	221,534	92,084
Governance Auditors' remuneration	20,000	17,410
Governance Auditors' non audit costs	9,475	6,525
Total	251,009	116,019

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,602,766	980,083
Auditors' remuneration	20,000	17,410
Auditors' remuneration - non-audit	9,475	6,525
Operating leases	37,013	36,630
	<u>1,669,254</u>	<u>1,039,648</u>

11. Trustees' and officers' insurance

In accordance with normal commercial practice the trust 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £98 (2014 - £98). The cost of this insurance is included in the total insurance cost.

12. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	12,398,169	8,158,209
Social security costs	894,782	569,178
Other pension costs (Note 23)	2,087,328	1,300,228
	<u>15,380,279</u>	<u>10,027,615</u>
Supply teacher costs	190,363	127,194
Staff restructuring costs	141,484	171,674
FRS17 Pension	98,000	97,000
	<u>15,810,126</u>	<u>10,423,483</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £5,378 and £8,047 totalling £13,425 (2014: £11,342).

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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

12. Staff (continued)

c. Staff numbers

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

	2015	2014
	No.	No.
Teachers	241	123
Administration and support	177	118
Management	29	18
	<hr/>	<hr/>
	447	259
	<hr/>	<hr/>

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	2
In the band £120,001 - £130,000	0	1
In the band £130,001 - £140,000	1	0
	<hr/>	<hr/>

The above employees participated in the Teachers' Pension Scheme.

13. Central services

No central services were provided by the trust to its academies during the year and no central charges arose.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

	Leasehold property £	Building improve- ments £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2014	43,700,679	1,100,867	31,301	258,978	507,464	45,599,289
Additions	-	860,326	-	15,105	62,761	938,192
Inherited on conversion	22,475,000	-	-	10,793	-	22,485,793
Assets donated on transfer of existing academy	516,800	-	-	-	-	516,800
At 31 August 2015	66,692,479	1,961,193	31,301	284,876	570,225	69,540,074
Depreciation						
At 1 September 2014	2,286,055	89,013	10,431	54,918	286,627	2,727,044
Charge for the year	1,387,318	57,865	7,825	30,954	118,804	1,602,766
At 31 August 2015	3,673,373	146,878	18,256	85,872	405,431	4,329,810
Net book value						
At 31 August 2015	63,019,106	1,814,315	13,045	199,004	164,794	65,210,264
At 31 August 2014	41,414,624	1,011,854	20,870	204,060	220,837	42,872,245

15. Stocks

	2015 £	2014 £
Consumables and goods for resale	-	10,302

16. Debtors

	2015 £	2014 £
Trade debtors	95,226	30,211
VAT recoverable	275,968	214,236
Other debtors	-	150
Prepayments and accrued income	951,640	582,722
	1,322,834	827,319

REDHILL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. Creditors:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	260,555	689,503
Other taxation and social security	311,161	230,677
EFA creditor: abatement of GAG	217,408	-
Other creditors	40,548	505
Accruals and deferred income	1,102,915	133,762
	<u>1,932,587</u>	<u>1,054,447</u>

Deferred income

	£
Deferred income at 1 September 2014	96,373
Resources deferred during the year	249,823
Amounts released from previous years	(96,373)
	<u>249,823</u>
Deferred income at 31 August 2015	<u>249,823</u>

Deferred income includes the following :

High Level Needs income of £51,574 relating to the period April 2015 to March 2016.
Devolved Formula Capital income of £84,642 relating to the period September 2015 to August 2016.
Phone mast income of £3,500 relating to the period February 2014 to January 2016.
Teaching school income of £26,000 relating to the period September 2015 to August 2016.
EFA rates relief income of £33,112 relating to the period April 2015 to March 2016.
School trip income of £50,996 relating to the period September 2015 to August 2016.

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

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	647,476	1,165,231	(616,254)	-	-	1,196,453
Restricted funds						
General annual grant (GAG)	785,497	16,983,461	(17,794,221)	69,143	-	43,880
Start up grant	-	448,753	(448,753)	-	-	-
Other DfE/EFA grants	-	1,473,630	(1,302,925)	-	-	170,705
Other restricted	38,055	277,194	(257,854)	-	-	57,395
Pension reserve	(4,336,000)	(1,588,000)	(433,000)	-	1,057,000	(5,300,000)
	<u>(3,512,448)</u>	<u>17,595,038</u>	<u>(20,236,753)</u>	<u>69,143</u>	<u>1,057,000</u>	<u>(5,028,020)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	1,070,268	1,462,453	(49,755)	(113,353)	-	2,369,613
Capital donations	41,033,246	23,002,593	(1,533,543)	-	-	62,502,296
GAG	459,103	-	(12,053)	44,210	-	491,260
Unrestricted	309,629	-	(7,415)	-	-	302,214
	<u>42,872,246</u>	<u>24,465,046</u>	<u>(1,602,766)</u>	<u>(69,143)</u>	<u>-</u>	<u>65,665,383</u>
Total restricted funds	<u>39,359,798</u>	<u>42,060,084</u>	<u>(21,839,519)</u>	<u>-</u>	<u>1,057,000</u>	<u>60,637,363</u>
Total of funds	<u>40,007,274</u>	<u>43,225,315</u>	<u>(22,455,773)</u>	<u>-</u>	<u>1,057,000</u>	<u>61,833,816</u>

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

REDHILL ACADEMY TRUST

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

18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
The Redhill Academy	897,250
The Carlton Academy	266,378
Hall Park Academy	(38,867)
Oakwood Academy	157,620
Sherwood Academy	(60,665)
The Redhill Teaching School	246,717
	<hr/>
Total before fixed asset fund and pension reserve	1,468,433
Restricted fixed asset fund	65,665,383
Pension reserve	(5,300,000)
	<hr/>
Total	61,833,816
	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Hall Park Academy	(38,867)
Sherwood Academy	(60,665)

Hall Park – lower than predicted numbers in both Yr. 7 and recruitment into 6th Form compounded by increasing payroll costs and national staff pay awards have resulted in a deficit position.

Sherwood – Lower than predicted carry forward from the EACT transfer, caused by unexpected payments for pension strain for those staff made redundant by EACT resulted in a deficit position for the year.

The trust is taking the following action to return the academies to surplus:

Hall Park Academy is taking the following actions to ensure the Academy is able to move back into a positive position in the future.

- Re-model curriculum offer to make it fit for purpose
- Reduce the number of support roles
- Reduce maintenance and IT spend
- Take advantage of economies of scale available across the Trust

For Sherwood Academy agreement has been reached with the EFA to support dis-economies of scale involved in the closure of this site on 31 August 2016 and to pay any deficit at the end. Monthly monitoring spreadsheets are completed to ensure the deficit is monitored regularly.

REDHILL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding dep'n	Total
The Redhill Academy	4,830,022	1,509,702	294,525	1,788,289	8,422,538
The Carlton Academy	3,096,155	857,672	147,601	1,105,879	5,207,307
Hall Park Academy	2,621,357	718,986	110,411	690,412	4,141,166
Oakwood Academy	1,218,956	278,830	69,201	693,673	2,260,660
Sherwood Academy	550,528	127,918	10,289	132,601	821,336
	<u>12,317,018</u>	<u>3,493,108</u>	<u>632,027</u>	<u>4,410,854</u>	<u>20,853,007</u>

19. 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	-	-	65,210,264	65,210,264	42,872,245
Current assets	1,196,453	2,204,567	455,119	3,856,139	2,525,476
Creditors due within one year	-	(1,932,587)	-	(1,932,587)	(1,054,447)
Provisions for liabilities and charges	-	(5,300,000)	-	(5,300,000)	(4,336,000)
	<u>1,196,453</u>	<u>(5,028,020)</u>	<u>65,665,383</u>	<u>61,833,816</u>	<u>40,007,274</u>

REDHILL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	20,769,542	15,362,611
Returns on investments and servicing of finance	(2,081)	(2,769)
Transfer from local authority	(12,150)	(24,643)
Donated assets	(23,002,593)	(16,511,200)
Depreciation of tangible fixed assets	1,602,766	980,083
Increase in debtors	(495,515)	(472,691)
Capital grants from DfE	(942,948)	(216,892)
Increase in creditors	878,140	331,379
Decrease/(increase) in stock	10,302	770
Inherited defined benefit pension scheme liability	1,588,000	1,145,000
FRS 17 adjustments	433,000	259,000
Net cash inflow from operations	826,463	850,648

21. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	2,081	2,769
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(938,192)	(579,135)
Capital grants from DfE	942,948	216,892
Net cash inflow/(outflow) capital expenditure	4,756	(362,243)

22. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,687,855	845,450	-	2,533,305
Net funds	1,687,855	845,450	-	2,533,305

REDHILL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

REDHILL ACADEMY TRUST

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

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £3,213,924 (2014: £1,696,043).

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

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 £442,000, of which employer's contributions totalled £333,000 and employees' contributions totalled £109,000. The agreed contribution rates for future years are 18% (Nottingham City Council) & 18.3% (Nottinghamshire County Council) for employers and 5.5 to 7.5% 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.

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

23. Pension commitments (continued)

The trust'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 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	5.80	4,968,000	6.50	3,303,000
Other bonds	5.80	485,000	3.60	314,000
Property	5.80	877,000	5.50	515,000
Gilts	5.80	188,000	3.00	263,000
Cash	5.80	243,000	2.90	192,000
Other	5.80	227,000	-	-
Total market value of assets		6,988,000		4,587,000
Present value of scheme liabilities		(12,288,000)		(8,923,000)
Deficit in the scheme		(5,300,000)		(4,336,000)

The expected rate of return for assets and liabilities in the scheme is the rate advised by the government actuary.

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(12,288,000)	(8,923,000)
Fair value of scheme assets	6,988,000	4,587,000
Net liability	(5,300,000)	(4,336,000)

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

	2015 £	2014 £
Current service cost	(762,000)	(485,000)
Interest on obligation	(421,000)	(282,000)
Expected return on scheme assets	323,000	185,000
Losses on curtailments and settlements	(87,000)	(10,000)
Total	(947,000)	(592,000)
Actual return on scheme assets	29,000	350,000

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	8,923,000	5,395,000
Current service cost	762,000	485,000
Interest cost	421,000	282,000
Contributions by scheme participants	180,000	109,000
Actuarial (Gains)/losses	(1,351,000)	377,000
Losses on curtailments	87,000	10,000
Benefits paid	(72,000)	(132,000)
Inherited	3,338,000	2,397,000
	<u>12,288,000</u>	<u>8,923,000</u>
Closing defined benefit obligation	<u>12,288,000</u>	<u>8,923,000</u>

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

	2015	2014
	£	£
Opening fair value of scheme assets	4,587,000	2,906,000
Expected return on assets	323,000	185,000
Actuarial gains and (losses)	(294,000)	(66,000)
Contributions by employer	514,000	333,000
Contributions by employees	180,000	109,000
Benefits paid	(72,000)	(132,000)
Inherited	1,750,000	1,252,000
	<u>6,988,000</u>	<u>4,587,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £249,000 loss (2014 - £1,306,000 loss).

The trust expects to contribute £630,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	71.00 %	72.00 %
Gilts	3.00 %	6.00 %
Other bonds	7.00 %	7.00 %
Property	13.00 %	11.00 %
Cash/liquidity	3.00 %	4.00 %
Other	3.00 %	- %

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

23. Pension commitments (continued)

The government actuary has chosen different assumptions for the Carlton Academy.

The Carlton Academy

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

	2015	2014
Discount rate for scheme liabilities	3.90 %	3.90 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %

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	25.2	25.1
Retiring in 20 years		
Males	24.2	24.1
Females	27.6	27.4

Redhill Academy, Sherwood Academy, Hall Park Academy and Oakwood Academy

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

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	25.2	25.1
Retiring in 20 years		
Males	24.2	24.1
Females	27.6	27.4

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(12,288,000)	(8,923,000)	(5,395,000)	(4,422,000)	(1,313,000)
Scheme assets	6,988,000	4,587,000	2,906,000	2,180,000	759,000
Deficit	<u>(5,300,000)</u>	<u>(4,336,000)</u>	<u>(2,489,000)</u>	<u>(2,242,000)</u>	<u>(554,000)</u>
Experience adjustments on scheme liabilities	1,351,000	(377,000)	(288,000)	(811,000)	(10,000)
Experience adjustments on scheme assets	<u>(294,000)</u>	<u>(66,000)</u>	<u>215,000</u>	<u>26,000</u>	<u>5,000</u>

24. Operating lease commitments

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

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	-	-	4,627	9,034
Between 2 and 5 years	-	-	30,320	19,476
After more than 5 years	-	-	1,485	-

On conversion, the Private Finance Initiative ("PFI") property used by the Trust was transferred from Nottingham City Council to the trust via a donation. No liability has arisen as a result of this transaction as Nottingham City Council retained ultimate responsibility for the outstanding capital finance. However a financial commitment exists for the Trust in the form of PFI charges to cover the service charge element of the unitary charge payable by Nottingham City Council. The commitment currently amounts to approximately £374,969 per annum over the term of 25 years, plus PFI benchmarking charges. These charges are subject to an increase which is linked to the retail price index. The PFI contributions are recognised in the Statement of Financial Activities.

REDHILL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. Related party transactions

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

During the year, no trustees received any remuneration (2014 - £NIL).

During the year, no trustees received any reimbursement of expenses (2014 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
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26. Conversion to an academy trust

On 1 April 2015 The Oakwood Academy (formerly The Big Wood School) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Redhill Academy Trust from Nottinghamshire Local Authority for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	22,475,000	22,475,000
- Other tangible fixed assets	-	-	10,793	10,793
Budget surplus/(deficit) on LA funds	127,006	-	-	127,006
Budget surplus/(deficit) on other school funds	-	12,150	-	12,150
LGPS pension surplus/(deficit)	-	(751,000)	-	(751,000)
Net assets/(liabilities)	127,006	(738,850)	22,485,793	21,873,949

REDHILL ACADEMY TRUST

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

27. Transfer to an academy trust

On 1 April 2015 Sherwood E-ACT Academy transferred all operations and assets and liabilities to The Redhill Academy Trust for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	516,800	516,800
- Other tangible fixed assets	-	-	-	-
Budget surplus/(deficit) on funds	153,243	-	-	153,243
LGPS pension surplus/(deficit)	-	(837,000)	-	(837,000)
Total	153,243	(837,000)	516,800	(166,957)

The academy trust has capitalised the value of Sherwood Academy's land and buildings on the basis that the trust will only have use of the assets until 31 August 2016 when it is expected that they will revert back to the Local Authority.

The above to also be included in the conversion assets section.

28. Members' Liabilities

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.

29. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £48,052 and disbursed £9,919 from the fund. An amount of £38,133 is included in other creditors relating to undistributed funds that is repayable to EFA.