

Redhill Academy Trust

Registered number: 07430317

Trustees report and financial statements

For the year ended 31 August 2016



REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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REDHILL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS
AND ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Mrs C Harrison
Mrs F Gray

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* (resigned 30 June 2016)
Mr K Edwards
Mr M Payne* (appointed 1 September 2015)
Mr G Mansfield (appointed 1 September 2016)
Mrs D Giles (appointed 1 September 2016)

* members of Redhill Academy Trust

Company registered number

07430317

Company name

Redhill Academy Trust

Principal and registered office

Redhill Road, Nottingham, Nottinghamshire, NG5 8GX

Company secretary

Mr J French

Executive management team

Executive Principal, Mr A Burns
Head of School - Redhill Academy, Mr S Bowhay
Head Teacher - Carlton Academy, Sherwood Academy, Mr R Pierpoint
Head Teacher - Hall Park Academy, Mrs S Dyce
Head Teacher - Oakwood Academy, Mrs A Healey
Director of Operations, Mr J French

REDHILL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (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 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

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 Redhill Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as the Redhill Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

The membership of the board has remained unchanged throughout 2015/16 Academic year.

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 2015. There is a limit of indemnity of £2,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Members may appoint up to 6 Sponsor Trustees. The Members may appoint the Sponsor Trustees through such process as they may determine.

Up to 5 Academy Trustees may be appointed from the Chairs of a Local Governing Body of any Academy.

There shall be a minimum of two Parent Trustees. Parent Trustees of the Local Governing Bodies shall be elected or appointed (in accordance with the terms of reference determined by the Directors from time to time). The elected or appointed Parent Trustees of the Local Governing Bodies must be a parent of a registered pupil at one or more of the Academies at the time when he is elected or appointed.

The Executive Principal may, if they agree to so act and their appointment is ratified by the Members, be a Trustee.

The Trustees may appoint up to 3 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

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 2016 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
- Mr M Payne

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 Page 13.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016 are as follows:

Redhill Academy Governors:

- Mr S Hopkins Chair*
- Mr S Shaw Vice Chair*
- Mr D Wood* (resigned 30 June 2016)
- 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

Carlton Academy Governors:

- Mr D Judge
- Mrs C Vernon*
- Mrs K Weston
- Mr S Mathers* Chair
- Ms S Hopkin*
- Miss R Sharp (term expired 28 February 2016)
- Mr M Bray*
- Miss P Battershall*
- Mrs H Moody*
- Ms J Moore (term expired 31 August 2016)
- Mr D Kay (appointed 01 March 2016)
- Mr R Pierpoint* ex officio

*Members of the Business Advisory Committee

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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*
- Ms D Hinds*
- Mrs S Dyce* ex officio

*Members of the Business Advisory Committee

Oakwood Academy Governors:

- Mr D Hallam* Chair
- Ms J Sensier*
- Ms Y Oliver-Mighten*
- Mrs C Posnett* (resigned 01 July 2016)
- Mr M Trodd*
- Mr E Adjaidoo*
- Mr M Bailey*
- Mr J Urquhart*
- Ms M Stokes* (resigned 22 June 2016)
- Mr D Watkins* (resigned 21 June 2016)
- Mrs A Healey* ex officio

*Members of the Business Advisory Committee

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 2015/16 the Leadership Group comprises; the Executive Principal;

Redhill Academy

One x Head of School, Three x Deputy Head teachers, Three x Assistant Head teachers and a Business Manager. One of the three DHT also fulfils the role of Director of Post 16 across the Trust, one AHT also fulfils the role of Director of Teaching School for the Trust. The Business Manager also fulfils the role of Finance Director for the Trust.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Hall Park Academy

One x Head teacher, Two x Deputy Head teachers, Three x Assistant Head teachers and an Operations Manager.

Carlton Academy

One Head teacher, Two x Deputy Head teachers, Three x Assistant Head teachers and an Operations Manager.

Oakwood Academy

One Head teacher, Two Deputy Head teachers, Three Assistant Head Teachers and an Operations Manager.

Arrangements for setting pay and remuneration of key management personnel

All members of a senior leadership team receive performance management annually in September, this is performed either by the Head teacher of the academy or the Executive Principal. The results of performance management is discussed and ratified by the pay committee, a sub-committee of the Executive Board, including the Chair. Any pay awards are set within contractual boundaries and pay structures as agreed by the Executive Board. The outcome is reported at the next Executive board committee. The Executive Principal receives performance management from the Chair and Vice Chair of the Executive Board and 1 other external consultant. Any pay decisions are then ratified by a sub-committee of the Executive board and reported at the next Executive Board meeting.

Academy Trustees do not receive remuneration for their involvement with 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. Sherwood Academy subsequently closed to students on 31st July 2016.

S Hopkins, Director of the Trust, is also a Director of Firth and Scott. No direct purchases were made from Firth and Scott during 2015/16.

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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 Commission's 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

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

ACHIEVEMENTS AND PERFORMANCE

Key financial performance indicators

Redhill Academy

Student numbers

Total students are as follows against a PAN of 225:

Year 7 – 256
Year 8 – 271
Year 9 – 228
Year 10 – 224
Year 11 – 225
Year 12 – 105
Year 13 76

Examination Results for 2016:

Progress 8	- +0.5
% 5 x A* to C inc Eng/Mths	- 77%
% E-Bacc	- 33%
Attendance	- 96.2%

Key Finance Indicators

Staff costs are 100.1% of GAG income and 77.2% of all income
Agency staff costs are less than 1.35% of total staff costs
1.5% of GAG income spent on Repairs & Maintenance costs

The Carlton Academy

Student numbers

Total Students against a PAN of 160:

Year 7 – 171
Year 8 – 162
Year 9 – 143
Year 10 – 159
Year 11 – 93
Year 12 – 46
Year 13 – 32

Examination Results for 2016:

Progress 8	- 0.32
% 5 x A* to C inc Eng/Mths	- 68%
% E-Bacc	- 23%
Attendance	- 94.8%

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Finance Indicators

Staff costs are 98.2% of GAG income and 81.4% of all income.
Agency Staff costs are less than 0.33% of total staff costs.
2.3% of GAG income is spent on Repairs and Maintenance.

Hall Park Academy

Student numbers

Total Students against a PAN of 180:

Year 7 – 105
Year 8 – 113
Year 9 – 96
Year 10 – 105
Year 11 – 99
Year 12 – 36
Year 13 – 52

Examination Results for 2016:

Progress 8	- 0.64
% 5 x A* to C inc Eng/Mths	- 64%
% E-Bacc	- 12%
Attendance	- 95.4%

Key Finance Indicators

Staff costs are 98.50% of GAG income and 86.78% of all income
Agency staff costs are 1.87% of total staff costs
1.99% of GAG income spent on Repairs & Maintenance costs

Oakwood Academy

Student numbers

Total Students against a PAN of 150:

Year 7 – 150
Year 8 – 127
Year 9 – 146
Year 10 – 145
Year 11 – 148

Examination Results for 2016:

Progress 8	- -0.17
% 5 x A* to C inc Eng/Mths	- 62%
% E-Bacc	- 12%
Attendance	- 94.35%

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Finance Indicators

Staff costs are 72.1% of GAG income and 66.4% of all income
Agency staff costs are less than 1.66% of total staff costs
0.43% of GAG income spent on Repairs & Maintenance costs

Sherwood EACT Academy

Student numbers

Total Students against a PAN of 120:

Year 11 – 29

Examination Results for 2015:

Progress 8	- -1.06
% 5 x A* to C inc Eng/Mths	- 33%
% E-Bacc	- N/A

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 next 12 months. However, the board is aware that all Academies need to make necessary savings in the future and is aware of the cost saving measures put in place to realise 2% staff reductions in 2016/17 and a further 4% in 2017/18. 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. 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 academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Pay Policy
- Health & Safety Policy
- Performance Management Guidance
- Whistle Blowing
- Complaints Policy
- Data Protection
- Redhill Values Statement (British Values)

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.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which contribution and needs of all people are fully valued.

The Trust welcomes applications for employment from those with a disability and applications for places from students with disabilities. The Trust's recruitment processes ensure that applicants are shortlisted for interview on the basis of the qualifications and experience. The Trust recognises that some people will require adjustments made in order for them to do the job, and will always look to make these changes wherever possible.

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.

FINANCIAL REVIEW

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 fourth full year as an academy for the Redhill Academy and the third for the Carlton Academy and the results show an overall income of £24,114,955.

At the year end, the Trust has a positive balance sheet position with net assets totalling £53,483,401.

The local government pension scheme deficit has increased to £11,269,000.

Reserves policy

The Finance Director reviews the reserve levels of each Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free cash reserves should be approximately £350,000 for each Academy to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

The Trust's current level of reserves is £742,000 of which £278,000 is free cash reserves (total funds less the amount held in fixed assets and other restricted funds). The Academy intends to continue building up free reserves to ensure capital funds are available. When reserves in the bank regularly exceed £500,000 then the investment strategy is implemented.

The Trust has a policy for individual Academies to carry forward internal under / overspends. This will result in any surplus carry forwards supporting the Trust reserve.

Under FRS102 it is necessary to account for projected pension liabilities on the LGPS to a specific reserve, reflecting the long term liability on the balance sheet. These long term liabilities do not represent a liquidity problem for the Trust and Actuarial reassessment every 3 years will determine if the Trust contribution to the deficit must change.

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

The principle purpose is:

- To ensure adequate cash balances are maintained in the current accounts to cover the day to day workings of the Trust.
- To ensure that there is low risk to the capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds for the benefit of the Trusts Charitable aims and objectives.
- It is the intention of the Trust to invest in ways that are consistent with the values of the Trust.
- The Trust will ensure that any bank or fund managers responsible for the Trusts investments are operating to socially responsible objectives consistent with those of the Trust.

The Trust operates a Scottish Widows High Interest Account at which surpluses regularly above £500,000 must be made available for investment. All investment opportunities are at the discretion of the Finance Director.

Principal risks and uncertainties

The principal risks and uncertainties facing the Academy Trust are:

Financial – the current financial risk for which the Trust is planning are the planned reduction for the Education Services Grant, the introduction of the Payroll (Apprenticeship Levy). In addition, there will be continued increases in staff wages that will be unfunded in the General Annual Grant. The Trust, anticipates an increase in costs over income of 3% in 2016/17.

Failures in financial governance – arises from potential failure to effectively manage the Financial internal controls, compliance with regulation and legislation, statutory returns etc. The Trustees through the Audit committee continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational – the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that student success is closely monitored and reviewed.

Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing – the success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning and talent management.

Fraud and mismanagement of funds – The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training in financial practise requirements to develop their skills in this area.

REDHILL ACADEMY TRUST

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR THE FUTURE

Future developments

On 1st September 2016, two further secondary Academies joined the Trust, Top Valley Academy and South Nottinghamshire Academy.

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 academy's 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

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.

Trustees report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on _____ and signed on its behalf by:



.....
Mr S Hopkins
Chair of Trustees

4 June 2017

REDHILL ACADEMY TRUST

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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 Statement of Trustees' Responsibilities. 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	2	3
Mr M Booth*	2	3
Mr B Bexton*	2	3
Mr B Daley*	2	3
Mr S Shaw*	3	3
Ms S Hopkin*	3	3
Mr J Bond*	3	3
Mrs D Haynes*	1	3
Mr S Mathers*	2	3
Mr D Wood*	2	3
Mr K Edwards	0	3
Mr M Payne*	0	3
Mr G Mansfield	0	0
Mrs D Giles	0	0

The Executive Board structure has remained constant throughout 2015/16 with no additional members and only one member retiring, Mr D Wood.

The Executive Audit Committee continue to meet three times a year, with the remit of controlling the financial risks of the Trust, and ensuring effective regulatory of individual finance teams. A new chair was appointed early in the academic year to this committee, Mr J Bond.

The committee, on behalf of the main Board, 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.

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

REDHILL ACADEMY TRUST

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GOVERNANCE STATEMENT (continued)

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	2	3
Kevin Edwards	0	3
Steve Mathers	2	3
Steve Shaw	2	3
Julian Bond - Chair	3	3

A review of Governing bodies and the Executive board took place in April 2016 and it was agreed to keep governance structures the same, until such time a further Academy may join the Trust at which governance arrangements will be reviewed again.

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.

The Trust is currently investigating the possibility of establishing a centralised shared services function for back office services that will enable it to realise greater economies of scale and make its services more effective.

The Trust is also in the process of appointing a dedicated Finance Director to act as Chief Financial Controller for the Trust, to provide better financial control as the Trust continues to grow and to allow the Director of Operations to focus on core delivery.

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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

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 2015 to 31 August 2016 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.

Review of Effectiveness

As Accounting Officer, 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:

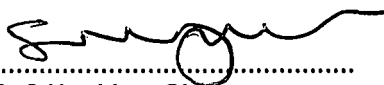
- the work of the Financial Consultant;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.


REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Accounting Officer 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 ^{4th} *January 2017* and signed on their behalf, by:


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


.....
Mr A Burns
Accounting Officer / *Executive Principal*


REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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
Accounting Officer
4 January 2017
Executive Principal

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Redhill Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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:

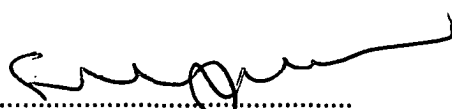
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 4th June 2017 and signed on its behalf by:


.....
Mr S Hopkins, Chair
Director

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF REDHILL ACADEMY TRUST

We have audited the financial statements of Redhill Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) ((Charities SORP 2015 (FRS 102)).

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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 ON THE FINANCIAL STATEMENTS 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:

5th January 2017

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 4 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 the 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 the 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 the 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 auditors

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the 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 AUDITORS' 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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: 5th January 2017

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT**
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations & capital grants:						
Transfers from local authority on conversion	2	-	-	-	-	21,706,992
Other donations and capital grants	2	7,437	-	679,219	686,656	1,462,453
Charitable activities:						
Funding for academy trust's educational operations	5	346,131	22,207,617	-	22,553,748	19,143,734
Other trading activities	3	511,464	459,998	-	971,462	910,055
Investments	4	3,089	-	-	3,089	2,081
Total income		868,121	22,667,615	679,219	24,214,955	43,225,315
Expenditure on:						
Raising funds	6	-	331,884	-	331,884	276,754
Charitable activities	7	297,686	24,284,708	2,084,092	26,666,486	22,286,019
Total expenditure		297,686	24,616,592	2,084,092	26,998,370	22,562,773
Net income / (expenditure) before transfers		570,435	(1,948,977)	(1,404,873)	(2,783,415)	20,662,542
Transfers between Funds	15	(699,650)	782,590	(82,940)	-	-
Net income / (expenditure) before other gains and losses		(129,215)	(1,166,387)	(1,487,813)	(2,783,415)	20,662,542
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(5,467,000)	-	(5,467,000)	1,164,000
Net movement in funds		(129,215)	(6,633,387)	(1,487,813)	(8,250,415)	21,826,542
Reconciliation of funds:						
Total funds brought forward		1,196,453	(5,028,020)	65,665,383	61,833,816	40,007,274
Total funds carried forward		1,067,238	(11,661,407)	64,177,570	53,583,401	61,833,816

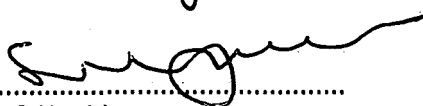
REDHILL ACADEMY TRUST

Registered number: 07430317

(A Company Limited by Guarantee)**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12		64,104,699		65,210,264
Current assets					
Debtors	13	1,051,511		1,322,834	
Cash at bank and in hand		1,520,414		2,533,305	
		2,571,925		3,856,139	
Creditors: amounts falling due within one year	14	(1,824,223)		(1,932,587)	
Net current assets			747,702		1,923,552
Total assets less current liabilities			64,852,401		67,133,816
Defined benefit pension scheme liability	19	(11,269,000)		(5,300,000)	
Net assets including pension scheme liabilities			53,583,401		61,833,816
Funds of the academy					
Restricted funds:					
Restricted funds	15	(392,407)		271,980	
Restricted fixed asset funds	15	64,177,570		65,665,383	
Restricted funds excluding pension liability		63,785,163		65,937,363	
Pension reserve	15	(11,269,000)		(5,300,000)	
Total restricted funds			52,516,163		60,637,363
Unrestricted funds	15		1,067,238		1,196,453
Total funds			53,583,401		61,833,816

The financial statements were approved by the Trustees, and authorised for issue, on 4th January 2017 and are signed on their behalf, by:



 Mr S Hopkins,
 Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(716,672)	826,463
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,089	2,081
Purchase of property, plant and equipment		(978,527)	(938,192)
Capital grants from DfE/EFA		679,219	942,948
Cash transferred on conversion to an academy trust		-	12,150
Net cash (used in)/provided by investing activities		(296,219)	18,987
Change in cash and cash equivalents in the year	18	(1,012,891)	845,450
Cash and cash equivalents brought forward		2,533,305	1,687,855
Cash and cash equivalents carried forward	18	1,520,414	2,533,305

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Redhill Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Redhill Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Redhill Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.3 Income

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

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

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

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

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

1.4 Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

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 Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.7 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.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.8 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 quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.9 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 with restrictions imposed by the funder and include grants from the Department for Education.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

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

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 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 23.

1.15 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 2016 is £827,734 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 £816,355 during the year and the academy fund the operational charges which amounted to £104,914, 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 2016, 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 2016

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
School fund donated on conversion	-	-	-	-	12,150
Donations upon the transfer of an existing academy	-	-	-	-	(166,957)
Assets transferred on conversion	-	-	-	-	21,861,799
Transfers from local authority on conversion	-	-	-	-	21,706,992
Capital grants	-	-	679,219	679,219	1,462,453
Other donations	7,437	-	-	7,437	-
Donations	7,437	-	679,219	686,656	1,462,453
Total donations and legacies	7,437	-	679,219	686,656	23,169,445

In 2015, of the total income from donations, £280,249 was to unrestricted funds and £22,889,196 was to restricted funds

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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3. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	157,978	-	157,978	102,440
Rental income	17,357	-	17,357	10,850
Sundry income	336,129	140,075	476,204	531,721
School trips	-	319,923	319,923	265,044
	<u>511,464</u>	<u>459,998</u>	<u>971,462</u>	<u>910,055</u>

In 2015, of the total fundraising income, £645,011 was to unrestricted funds and £265,044 was to restricted funds.

4. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	<u>3,089</u>	<u>-</u>	<u>3,089</u>	<u>2,081</u>

In 2015, of the total investment income, £2,081 was to unrestricted funds and £ NIL was to restricted funds.

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5. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	19,169,196	19,169,196	16,463,956
Start up grants	-	199,600	199,600	448,753
Other DfE/EFA grants	-	2,407,475	2,407,475	1,685,972
	-	21,776,271	21,776,271	18,598,681
Other government grants				
SEN from LA	-	283,511	283,511	307,163
Other LA grants	-	110,753	110,753	-
	-	394,264	394,264	307,163
Other funding				
GTP	-	37,082	37,082	-
Catering income	346,131	-	346,131	237,890
	346,131	22,207,617	22,553,748	19,143,734

In 2015, of the total income from charitable activities, £237,890 was to unrestricted funds and £18,905,844 was to restricted funds.

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Costs of activities for generating funds	-	-	331,884	331,884	276,754
Academy's educational operations					
- Direct costs	14,559,403	1,042,782	1,853,640	17,455,825	14,945,331
- Allocated support costs	4,117,151	3,568,910	1,524,600	9,210,661	7,340,688
Total	18,676,554	4,611,692	3,710,124	26,998,370	22,562,773

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7. Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	17,455,825	14,945,331
Support costs - educational operations	9,210,661	7,340,688
Total	26,666,486	22,286,019

Support costs

	Total 2016 £	Total 2015 £
Support staff costs	4,117,151	3,493,108
Depreciation	1,041,310	721,245
Technology costs	281,367	188,763
Premises costs	2,527,600	1,840,236
Other support costs	941,280	846,327
Governance costs	301,953	251,009
Total	9,210,661	7,340,688

In 2015, of the total expenditure, £616,254 was to unrestricted funds and £21,946,519 was to restricted funds

8. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,084,092	1,602,766
Auditors' remuneration	23,850	20,000
Auditors' remuneration - non-audit	10,600	9,475
Operating lease rentals:		
- other operating leases	34,213	37,013

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9. Staff costs

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	14,438,928	12,398,169
Social security costs	1,170,058	894,782
Operating costs of defined benefit pension schemes (Note 19)	2,515,780	2,090,328
	<u>18,124,766</u>	<u>15,383,279</u>
Supply costs	229,132	190,363
Staff restructuring costs	123,656	141,484
FRS102 Pension	199,000	202,000
	<u>18,676,554</u>	<u>15,917,126</u>

Staff numbers

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

	2016	2015
	No.	No.
Teachers	272	278
Administration and support	270	274
Management	29	26
	<u>571</u>	<u>578</u>

Higher paid staff

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	1	0
In the band £130,001 - £140,000	1	1

The above employees participated in the Teachers' Pension Scheme.

Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £44,770 (2015: £13,425). Individually the payments were: £30,000, £11,063 and £3,707.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £681,075 (2015: £638,153).

REDHILL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £594 (2015 - £98).

11. Central services

The trust has provided the following central services to its academies during the year:

- financial services
- legal and professional services

No central charges arose for the provision of these services.

12. Tangible fixed assets

	Leasehold property £	Building Improve- ments £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2015	66,692,479	1,961,193	31,301	284,876	570,225	69,540,074
Additions	-	936,195	3,490	15,082	23,760	978,527
At 31 August 2016	66,692,479	2,897,388	34,791	299,958	593,985	70,518,601
Depreciation						
At 1 September 2015	3,673,373	146,878	18,256	85,872	405,431	4,329,810
Charge for the year	1,826,522	143,895	6,918	33,330	73,427	2,084,092
At 31 August 2016	5,499,895	290,773	25,174	119,202	478,858	6,413,902
Net book value						
At 31 August 2016	61,192,584	2,606,615	9,617	180,756	115,127	64,104,699
At 31 August 2015	63,019,106	1,814,315	13,045	199,004	164,794	65,210,264

Included in leasehold property is land of £14,510,000 (2015: £14,510,000) which is not depreciated.

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FOR THE YEAR ENDED 31 AUGUST 2016

13. Debtors

	2016 £	2015 £
Trade debtors	35,046	95,226
VAT recoverable	114,197	275,968
Prepayments and accrued income	902,268	951,640
	<u>1,051,511</u>	<u>1,322,834</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	781,974	260,555
Other taxation and social security	344,718	311,161
EFA creditor: abatement of GAG	-	217,408
Other creditors	73,593	40,548
Accruals and deferred income	623,938	1,102,915
	<u>1,824,223</u>	<u>1,932,587</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	249,823	96,373
Resources deferred during the year	431,070	249,823
Amounts released from previous years	(249,823)	(96,373)
Deferred income at 31 August 2016	<u>431,070</u>	<u>249,823</u>

Deferred income includes the following :

High Level Needs income of £27,496 relating to the period April 2016 to March 2017 (2015: £51,574).
Devolved Formula Capital income of £65,413 relating to the period September 2016 to August 2017 (2015: £84,642).
CIF income of £142,778 relating to the period September 2016 to March 2017 (2015: £Nil).
Phone mast income of £3,500 relating to the period September 2016 to August 2017 (2015: £3,500).
Teaching school income of £Nil relating to the period September 2016 to August 2017 (2015: £26,000).
EFA rates relief income of £40,472 relating to the period April 2016 to March 2017 (2015: £33,112).
School trip income of £38,804 relating to the period September 2016 to August 2017 (2015: £50,996).
Exclusions income of £78,507 relating to the period September 2016 to August 2017 (2015: £Nil).
Insurance reimbursements of £14,600 relating to the period September 2016 to December 2016 (2015: Nil).
PFI transition fund income of £19,500 relating to the period September 2016 to August 2017 (2015: Nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	1,196,453	868,121	(297,686)	(699,650)	-	1,067,238
Restricted funds						
General annual grant (GAG)	43,880	19,168,522	(20,693,198)	782,590	-	(698,206)
Start up grant	-	199,600	(199,600)	-	-	-
Pupil Premium	170,705	1,054,517	(1,066,280)	-	-	158,942
Other grants	57,395	2,244,976	(2,155,514)	-	-	146,857
Pension reserve	(5,300,000)	-	(502,000)	-	(5,467,000)	(11,269,000)
	(5,028,020)	22,667,615	(24,616,592)	782,590	(5,467,000)	(11,661,407)
Restricted fixed asset funds						
DfE/EFA capital grants	2,369,613	679,219	(143,900)	(82,940)	-	2,821,992
Capital donations	62,502,296	-	(1,868,514)	-	-	60,633,782
GAG	491,260	-	(40,013)	-	-	451,247
Unrestricted	302,214	-	(31,665)	-	-	270,549
	65,665,383	679,219	(2,084,092)	(82,940)	-	64,177,570
Total restricted funds	60,637,363	23,346,834	(26,700,684)	699,650	(5,467,000)	52,516,163
Total of funds	61,833,816	24,214,955	(26,998,370)	-	(5,467,000)	53,583,401

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.

The Pension Reserve is a fund in deficit as this relates to the Local Government Pension Scheme, the Trustees review the deficit on a regular basis and are advised by an external actuary.

The restricted reserve (excluding the pension reserve) is a fund in deficit for various reasons as explained below per academy.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

15. Statement of funds (continued)

Transfers from the restricted fixed asset funds to restricted funds have been made to reallocate devolved formula capital and CIF income expended on items with values below the academy's capitalisation threshold. Transfers were also made from restricted reserves to restricted fixed asset funds to pay for capital projects at the Redhill Academy and Hall Park Academy. A transfer from unrestricted funds to restricted general funds was made to match restricted expenditure to the funds available.

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 2016.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
The Redhill Academy	748,712	981,818
The Carlton Academy	(105,136)	266,378
Hall Park Academy	(351,057)	(38,867)
Oakwood Academy	(51,155)	157,620
Sherwood Academy	(3,320)	(60,665)
The Redhill Teaching School	174,497	162,149
The Redhill Trust	262,290	-
Total before fixed asset fund and pension reserve	674,831	1,468,433
Restricted fixed asset fund	64,177,570	65,665,383
Pension reserve	(11,269,000)	(5,300,000)
Total	53,583,401	61,833,816

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
The Carlton Academy	(105,136)
Hall Park Academy	(351,057)
Oakwood Academy	(51,155)
Sherwood Academy	(3,320)

- The Carlton Academy – improving student outcomes and the closure of Sherwood Academy have led to increased student numbers into year 7 however, funding for this year group is remitted based on prior year student numbers, resulting in a gap between costs and income.
- Hall Park Academy – continued lower than predicted numbers into years 7 and 12 have affected the academy's ability to implement economic class sizes
- Oakwood Academy – higher than expected operating costs, including back-dated bio mass fuel charges arising from the Private Funding Initiative, have driven the deficit at this academy
- Sherwood Academy – the small deficit at this academy, which closed in August 2016, is a one-off item and will be addressed by the Education Funding Agency

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

15. Statement of funds (continued)

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

- The Carlton Academy - an application for additional funding to address the income shortfall is in progress with the Education Funding Authority. In addition student numbers continue to rise, enabling economies of scale to be realised
- Hall Park Academy – further curriculum modelling to more accurately match the student numbers, which are funded on an actual basis and are increasing
- Oakwood Academy – a number of cost management actions have been taken since the year ended 31 August 2016 to ensure the academy returns to a surplus position
- Sherwood Academy – the academy has closed and any continuing building costs will be funded by the Education Funding Authority.

In addition, the Trust is undertaking a thorough review of its curriculum in all academies, to ensure it can continue to provide a high quality education without costs exceeding the allocated income. Opportunities to streamline support activities throughout the Trust, enabling economies of scale to be accessed, are also being pursued, as are other operational cost saving initiatives.

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 2016	Total 2015
The Redhill Academy	5,321,388	1,572,578	155,728	1,783,316	8,833,010	8,455,538
The Carlton Academy	3,299,534	935,368	90,933	1,222,228	5,548,063	5,241,307
Hall Park Academy	2,666,484	698,523	49,384	601,519	4,015,910	4,167,166
Oakwood Academy	2,965,044	682,304	90,318	1,780,611	5,518,277	2,268,660
Sherwood Academy	306,953	228,378	998	293,984	830,313	827,336
The Redhill Academy Trust	-	-	-	168,705	168,705	-
	<u>14,559,403</u>	<u>4,117,151</u>	<u>387,361</u>	<u>5,850,363</u>	<u>24,914,278</u>	<u>20,960,007</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	64,104,699	64,104,699	65,210,264
Current assets	1,067,238	1,431,816	72,871	2,571,925	3,856,139
Creditors due within one year	-	(1,824,223)	-	(1,824,223)	(1,932,587)
Pension scheme liability	-	(11,269,000)	-	(11,269,000)	(5,300,000)
	<u>1,067,238</u>	<u>(11,661,407)</u>	<u>64,177,570</u>	<u>53,583,401</u>	<u>61,833,816</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(2,783,415)	20,662,542
Adjustment for:		
Depreciation charges	2,084,092	1,602,766
Transfer from local authority	-	(12,150)
Interest receivable	(3,089)	(2,081)
Donated assets	-	(23,002,593)
Decrease in stocks	-	10,302
Decrease/(increase) in debtors	271,323	(495,515)
(Decrease)/increase in creditors	(108,364)	878,140
Capital grants from DfE and other capital income	(679,219)	(942,948)
Defined benefit pension scheme obligation inherited	-	1,588,000
Defined benefit pension scheme cost less contributions payable	303,000	338,000
Defined benefit pension scheme finance cost	199,000	202,000
Net cash (used in)/provided by operating activities	<u>(716,672)</u>	<u>826,463</u>

18. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	1,520,414	2,533,305
Total	<u>1,520,414</u>	<u>2,533,305</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

19. 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 Multi-Employer Defined Benefit Pension 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.

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

The employer's pension costs paid to TPS in the period amounted to £1,624,544 (2015 - £1,182,056).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

19. Pension commitments (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, 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 2016 was £806,000 (2015 - £694,000), of which employers' contributions totalled £605,000 (2015 - £514,000) and employees contributions totalled £201,000 (2015 - £180,000). The agreed contribution rates for future years are 18% 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.
The Carlton Academy

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

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.90 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %
Inflation assumption (CPI)	2.30 %	2.60 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	24.4	24.2
Females	27.7	27.6

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

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

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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19. Pension commitments (continued)

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	24.4	24.2
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	5,877,000	4,968,000
Other bonds	580,000	485,000
Property	1,031,000	877,000
Gilts	320,000	188,000
Cash	364,000	243,000
Other	367,000	227,000
Total market value of assets	<u>8,539,000</u>	<u>6,988,000</u>

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 Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost	(868,000)	(762,000)
Interest on obligation	(486,000)	(421,000)
Interest on assets	287,000	219,000
Losses on curtailments and settlements	(38,000)	(87,000)
Administration expenses	(2,000)	(3,000)
Total	<u>(1,107,000)</u>	<u>(1,054,000)</u>
Actual return on scheme assets	<u>1,049,000</u>	<u>29,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2016

19. Pension commitments (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	12,288,000	8,923,000
Current service cost	868,000	762,000
Interest cost	486,000	421,000
Contributions by scheme participants	201,000	180,000
Actuarial Losses/(gains)	6,229,000	(1,351,000)
Past service costs	-	87,000
Losses on curtailments	38,000	-
Benefits paid	(302,000)	(72,000)
Inherited	-	3,338,000
	<hr/>	<hr/>
Closing defined benefit obligation	19,808,000	12,288,000
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening fair value of scheme assets	6,988,000	4,587,000
Interest on assets	287,000	219,000
Return on assets less interest	762,000	(187,000)
Contributions by employer	605,000	514,000
Contributions by employees	201,000	180,000
Administration expenses	(2,000)	(3,000)
Inherited	-	1,750,000
Benefits paid	(302,000)	(72,000)
	<hr/>	<hr/>
	8,539,000	6,988,000
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

20. Operating lease commitments

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	29,680	40,701
Between 1 and 5 years	41,400	57,745
Total	71,080	98,446

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.

21. 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 the trust 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 (2015 - £NIL).

During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

22. Post balance sheet events

South Nottinghamshire Academy and Top Valley Academy joined The Redhill Academy Trust on 1st September 2016.

23. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £85,470 and disbursed £14,872 from the fund. An amount of £70,598 is included in other creditors relating to undistributed funds that is repayable to EFA.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. Members' liability

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

25. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.