

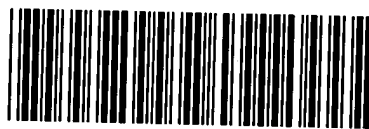
Redhill Academy Trust

Registered number: 07430317

Trustees report and financial statements

For the year ended 31 August 2018

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REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 - 21
Independent Reporting Accountant's Assurance Report on Regularity	22 - 23
Statement of Financial Activities Incorporating Income and Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 57

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr S Hopkins
Ms G Chignell
Mr J Fahy
Mr G Lloyd
Mrs D Parrish

Trustees

Mr S Hopkins, Chair
Mr M Booth
Mr B Bexton (resigned 25 July 2018)
Mr B Daley (resigned 24 September 2018)
Mr S Shaw
Ms S Hopkin
Mr J Bond
Mrs D Haynes
Mr S Healy (appointed 1 September 2017)
Mr S Mathers (resigned 15 November 2018)
Mr K Edwards
Mr M Payne
Mr G Mansfield (resigned 23 October 2018)
Mr D Hallam
Ms D Porter (resigned 31 October 2017)
Ms M Sills (appointed 1 November 2017)

Company registered number

07430317

Company name

Redhill Academy Trust

Principal and registered office

Redhill Road, Arnold, Nottingham, Nottinghamshire, NG5 8GX

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Company secretary

Mr J French

Executive management team

Mr A Burns, Chief Executive Officer & Director of Education
Mr S Bowhay, Head teacher, Park Vale Academy
Mr T Croft, Executive Head teacher (The Bolsover School)
Mrs J Davis, Finance Director
Mrs S Dyce, Executive Head teacher (Hall Park Academy, Oakwood Academy, South Nottinghamshire Academy)
Mrs M Egwuma, Head of School, The Carlton Academy
Mr J French, Director of Operations
Mr J Gale, Head teacher, Colonel Frank Seely Academy
Mr M Hall, Head of School, The Bolsover School
Mr H Hardy, Head teacher, Oakwood Academy
Mr S Keogh, Head of School, Hall Park Academy
Mr N Matthews, Head of School, Redhill Academy
Mrs C Messent, Director of School Improvement
Mr D Philpotts, Head teacher, South Nottinghamshire Academy
Mr R Pierpoint, Executive Head teacher (Colonel Frank Seely Academy, The Carlton Academy)
Mrs J Wardle, Director of Primary Education

Independent auditor

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

Solicitors

Veale Wasbrough Vizards LLP, 2nd Floor, 3 Brindley Place, Birmingham, B1 2JB

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, Clerkenwell, London, EC1M 6HR

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates 11 academies for pupils aged 2 to 18 serving catchment areas across Nottinghamshire and Derbyshire; these being Redhill Academy (Gedling), Carlton Academy (Gedling), Carlton Infant Academy (Gedling), Carlton Junior Academy (Gedling), Colonel Frank Seely Academy (Gedling), Robert Mellors Primary Academy (Gedling), Hall Park Academy (Eastwood), Oakwood Academy (Nottingham City), Park Vale Academy (Nottingham City), South Nottinghamshire Academy (Radcliffe on Trent), The Bolsover School (Derbyshire). The overall pupil capacity of its academies is 8,564 and the number on roll in the October 2018 census was 7,710.

Structure, governance and management

a. 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.

b. 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.

c. Trustees' indemnities

The Trustees have liability insurance through the ESFA's Risk Protection Arrangement. There is a limit of indemnity of £10,000,000.

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

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

e. 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.

f. 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 2018 are included at page 1.

The organisational structure consists of the following levels: the Members, the Executive Board of Trustees, The Executive Management Team, the Head teachers of each academy, the Governing Body and the Senior Leadership Team of each academy.

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.

The Executive Board of Trustees delegate to Local Governing Bodies of each Academy the responsibility for decisions surrounding: setting local policy (where this is not governed by Trust-wide Policy); adopting an annual plan and budget; monitoring each Academy (by the use of budgets); and capital expenditure. Details of those individuals appointed to each Local Governing Body are available on the individual academy websites.

Executive Management Team

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 .

g. Pay policy for key management personnel

All members of a senior leadership team receive performance management annually in September (Teachers) or April (Support Staff), this is performed either by the Head teacher of the academy or the Chief Executive Officer. The results of performance management are 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 Chief Executive Officer 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.

Trustees do not receive remuneration for their involvement with the Trust.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full time equivalent employee number
1	0.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	1
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£18,159
Total pay bill	£32,438,000
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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i. Connected organisations, including related party relationships

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.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. 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

b. Objectives, strategies and activities

The objectives of the Trust continue to be to:

- 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.

The strategies and activities for 2017/18 to achieve the above objectives are detailed in each academy's implementation plan as well as the Trust's priorities plan.

The Trust's main strategic priorities are:

- to develop reading age levels across the Trust
- to develop Trust wide strategies on teacher recruitment
- rationalise School Improvement strategies & processes across the Trust
- Expand Trust student opportunities outside the classroom and increase levels of participation

c. 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 key areas within Nottinghamshire and Derbyshire: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

There are 11 academies within the Trust, increasing from six the previous year. The Trust's expansion has included the addition of three primary academies and one secondary academy in Nottinghamshire, as well as one secondary academy in Derbyshire. In total the Trust provides the education for approximately 7,700 children.

The 2017/18 KS2 and current OFSTED outcomes were as follows:

	Carlton Infant Academy	Carlton Junior Academy	Robert Mellors Primary Academy	National Average
Reading, Writing & Maths Combined	N/A	77%	68%	64%
Reading (Expected Standard)	N/A	81%	68%	75%
Writing (Expected Standard)	N/A	98%	79%	78%
GPS (Expected Standard)	N/A	92%	75%	78%
Maths (Expected Standard)	N/A	92%	79%	76%
Current OFSTED judgement	2	2	2	

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

At KS4 the 2017/18 outcomes were as follows:

Academy	The Redhill Academy	The Carlton Academy	Hall Park Academy	The Oakwood Academy	South Nottinghamshire Academy	Park Vale Academy	Colonel Frank Seely Academy	The Bolsover School
Pupil Number (Yr11)	219	135	99	134	74	124	105	161
Attainment 8	52.43	42.70	44.06	44.23	51.70	36.37	44.92	40.46
% Basics [9 - 5]	71.2	54.8	68.7	55.2	82.4	47.6	61.0	61.0
% Basics [9 - 4]	52.1	33.3	27.3	39.6	52.7	20.2	35.2	38.0
% EBacc [entered]	32.4	23.7	29.3	10.4	54.1	12.9	51.4	65.2
% EBacc [strong pass]	29.2	11.1	20.2	9.7	37.8	6.5	40.0	13.0
% EBacc [standard pass]	22.4	8.9	9.1	9.0	21.6	4.0	25.7	26.0
EBacc APS	4.55	3.59	3.81	3.6	4.6	3.03	4.19	0.66
Progress 8	0.29	-0.169	+0.173	-0.197	0.242	-0.78	-0.375	-0.575
Current OFSTED judgement	1	2	2	4	2	N/A	N/A	2

At KS5 the 2017/18 outcomes were as follows:

Academy	The Redhill Academy	The Carlton Academy	Hall Park Academy	South Nottinghamshire Academy	Colonel Frank Seely Academy
Pupil Number	127	16	40	27	42
A level Pass Rate	98.9%	100%	92%	92.7%	98.5%
APS Per Entry (A-Level)	33.1	28.9	26	30.7	31.2
APS Per Entry (Voc)	32.0	33.9	15.3	N/A	29.0
VA (A-level)	0.09	0.08	-0.7	-0.13	0.08
VA (Voc)	-1.08	-0.86	-0.25	NA	-1.22

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

a. Key performance indicators

A summary analysis of key performance indicators is as above:

Indicator	Target	Actual
All staff costs as % of income	75%	74%
Number of pupils on roll as % of total capacity	100%	90%
Number of academies delivering a balanced budget	11/11	10/11

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. However, the Board is aware that continued vigorous financial management is required due to continued cost pressures. 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.

c. 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 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.

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.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust's offices.

Financial review

a. Review of the year

The Trust is funded by the Education & Skills Funding Agency (ESFA) using the Nottingham, Nottinghamshire and Derbyshire Local Authority Funding formulae. In addition the Trust receives Education Services Grant and Pupil Premium funding from the ESFA.

The Trust's overall income for the financial year was £78,842k.

At the year end, the Trust has a positive balance sheet position with net assets totalling £110,939k.

The local government pension scheme deficit has increased to £18,355k.

b. Reserves policy

The Finance Director reviews the reserve levels of each Academy at least 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 reviewed the Reserves Policy during the year and determined that the appropriate level of free cash reserves should be approximately 5% of annual General Academy Grant (GAG) income overall 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 £110,939k of which £2,470k is free cash reserves (total funds less the amount held in fixed assets and other restricted funds). Excluding balances held within the schools' voluntary fund accounts, which are which are effectively balances held on behalf of others, the Trust's revenue reserves are £2,150k this equates to 5.9% of annual General Academy Grant (GAG) income. The Trust intends to continue building up free reserves in some of its academies to ensure capital funds are available.

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

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

c. 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 not been used.

The key 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.

d. Principal risks and uncertainties

The principal risks and uncertainties facing the Academy Trust are:

Financial – Assumptions regarding future pay award increases, pension contribution requirements, staffing requirements and the cost of goods & services within our academies 3 year plans may not be sufficient. In addition the Government may introduce changes which adversely affect the academies income streams. Forward planning, prudent budgeting and rigorous financial controls are deployed to manage these threats.

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. The Trust's centralised Finance team, its finance policy and its finance system are key controls in ensuring there are adequate preventative, detective and monitoring controls in operation.

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 regularly assesses its fraud risks and strengthens its controls as needed. The Trust's centralised Finance team, its finance policy and its finance system are key controls in ensuring there are adequate anti-fraud preventative, detective and monitoring controls in operation. The Trust also deploys internal audit activity 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.

Misappropriate use or loss of personal data – The Trust takes its Data Protection obligations very seriously and through its Data Officer it manages its compliance to the regulatory requirements through policy, procedures and staff training. During the year the Data Officer led a peer review of GDPR compliance across all academies within the Trust.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The Trust has carried out very limited fundraising activity across its academies during the financial year. Fund raising is limited to voluntary activities conducted by academy pupils supported by the family and friends, such as sponsored activities with a specific aim such as donations to national charities, for example, Children in Need by giving a small donation in exchange for non-uniform days. The Trust does not work with professional fundraisers and all fundraising activity is monitored through normal School Fund financial procedures. Any complaints relating to academy fundraising activities would be managed through each academy's normal complaints policy and procedure.

Plans for future periods

a. Future developments

The Trust has grown significantly during 2017/18 with the addition of five new academies, incorporating primary school education for the first time as well as a first secondary school in Derbyshire. A further Derbyshire secondary academy conversion project is in progress at the date of this report as well as work progressing to commence a further Derbyshire secondary academy project. Beyond these projects the immediate focus will be to support further primary schools in Nottinghamshire and Derbyshire.

The strategy of the Trust is to expand further if suitable opportunities should arise. 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.

Funds held as custodian

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

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report was approved by order of the board of trustees, as the company directors, on 10 December 2018 and signed on its behalf by:



Mr S Hopkins
Chair of Trustees

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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	3	3
Mr M Booth	3	3
Mr B Bexton	3	3
Mr B Daley	3	3
Mr S Shaw	3	3
Ms S Hopkin	2	3
Mr J Bond	3	3
Mrs D Haynes	2	3
Mr S Healy	2	3
Mr S Mathers	3	3
Mr K Edwards	2	3
Mr M Payne	0	3
Mr G Mansfield	2	3
Mr D Hallam	2	3
Ms M Sills	2	3

The Executive Audit Committee met three times in the year, with the remit of controlling the financial risks of the Trust, and ensuring effective oversight of the Trust's Central Finance team.

The Audit Committee, on behalf of the main Board, is responsible for the oversight of the various responsibilities for preparation of draft budgets, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure etc. However, monitoring of local schools is delegated to each Local Governing Body.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Julian Bond (Chair)	3	3
Kevin Edwards	2	3
Steve Hopkins	3	3
Steve Mathers	2	3
Steve Shaw	3	3

The last formal review of Governing bodies and the Executive board took place in April 2016 and since this date there have been no structural changes however a formal governance review commenced in 2017/18 financial year and changes arising are expected to be implemented during the first half of 2018/19 financial year.

Review of Value for Money

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

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

1. During the year the Trust has continued to operate collaborative working groups across nearly all disciplines, including both teaching and support functions.
2. The Trust continues to successfully operate a centralised shared services function for back office services, to enable it to realise greater economies of scale and make its services more effective. These operations have enabled the Trust to integrate a further five academies during 2017/18 with no increase to its central headcount whilst generating Administrative staff savings in some of the academies.
3. The Trust has strengthened its centralised shared services offer through further better buying initiatives including IT software and Facilities Management in particular.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have approved during the 2017/18 year a new internal audit approach to replace the work previously performed by an external Financial Consultant (FC). A change of approach was necessary as individual financial reviews at each academy are no longer required due to the centralisation of financial processing and oversight controls.

The approach to internal audit for 2017/18 comprised:

- Audits of School Fund management performed by independent central Finance staff. Reviews were carried out at Park Vale Academy and Redhill Academy.
- An audit of the Trust's centralised Payroll and Expenses function was carried out by Mazars LLP
- A peer review of GDPR compliance was carried out across all academies

The findings from these assurance activities have been reported to the Trust Audit committee. Some compliance issues of a minor nature were identified and addressed through these reviews.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2018 and signed on their behalf, by:



Mr S Hopkins
Chair of Trustees



Mr A Burns
Accounting Officer

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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



Mr A Burns
Accounting Officer

Date: 10 December 2018

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who 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 issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

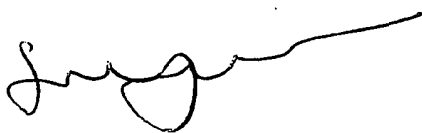
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10 December 2018 and signed on its behalf by:



Mr S Hopkins
Chair of Trustees

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Redhill Academy Trust (the 'trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

REDHILL ACADEMY TRUST (A Company Limited by Guarantee)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the Academy 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF REDHILL ACADEMY TRUST**

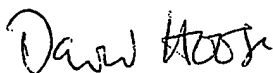
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of the audit report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company's members, as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 10/12/18

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 30 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Redhill Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Redhill Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Redhill Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2017, 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. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

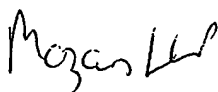
- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluded on procedures carried out.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO REDHILL ACADEMY TRUST AND THE EDUCATION AND SKILLS 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 10/12/18

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
Income from:						
Donations & capital grants:						
Transfer from local authority/existing trust on conversion	2	1,249	(4,343)	40,342	37,248	12,600
Other donations and capital grants	2	18	-	1,004	1,022	13,366
Charitable activities	3	936	38,076	-	39,012	29,450
Other trading activities	4	386	912	-	1,298	981
Investments	5	3	-	-	3	2
Teaching schools		-	259	-	259	90
Total income		2,592	34,904	41,346	78,842	56,489
Expenditure on:						
Teaching schools		-	224	-	224	90
Raising funds		219	813	-	1,032	458
Charitable activities		1,230	40,042	2,919	44,191	36,196
Total expenditure	6	1,449	41,079	2,919	45,447	36,744
Net income / (expenditure) before transfers		1,143	(6,175)	38,427	33,395	19,745
Transfers between Funds	16	-	128	(128)	-	-
Net income / (expenditure) before other recognised gains and losses		1,143	(6,047)	38,299	33,395	19,745
Actuarial gains/(losses) on defined benefit pension schemes	20	-	4,274	-	4,274	(59)
Net movement in funds		1,143	(1,773)	38,299	37,669	19,686
Reconciliation of funds:						
Total funds brought forward		536	(15,791)	88,525	73,270	53,584
Total funds carried forward		1,679	(17,564)	126,824	110,939	73,270

REDHILL ACADEMY TRUST

Registered number: 07430317

(A Company Limited by Guarantee)**BALANCE SHEET****AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	£000	2017 £000
Fixed assets					
Tangible assets	13		125,983		87,791
Current assets					
Debtors	14	1,716		811	
Cash at bank and in hand		5,189		3,131	
		<u>6,905</u>		<u>3,942</u>	
Creditors: amounts falling due within one year	15	<u>(3,594)</u>		<u>(2,321)</u>	
Net current assets			3,311		1,621
Total assets less current liabilities			129,294		89,412
Defined benefit pension scheme liability	20		<u>(18,355)</u>		<u>(16,142)</u>
Net assets including pension scheme liabilities			<u>110,939</u>		<u>73,270</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	791		351	
Restricted fixed asset funds	16	126,824		88,525	
Restricted income funds excluding pension liability		127,615		88,876	
Pension reserve		<u>(18,355)</u>		<u>(16,142)</u>	
Total restricted income funds			109,260		72,734
Unrestricted income funds	16		<u>1,679</u>		<u>536</u>
Total funds			<u>110,939</u>		<u>73,270</u>

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:



Mr S Hopkins
Chair of Trustees

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	428	202
Cash flows from investing activities:			
Dividends, interest and rents from investments		3	2
Purchase of tangible fixed assets		(1,034)	(12,399)
Capital grants from DfE Group		1,004	13,356
Cash transferred on transfer from an academy trust		1,657	449
Net cash provided by investing activities		1,630	1,408
Change in cash and cash equivalents in the year		2,058	1,610
Cash and cash equivalents brought forward		3,131	1,521
Cash and cash equivalents carried forward	19	5,189	3,131

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 company 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 2018

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

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 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Donations and capital grant income to the net assets received.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

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 is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	-	50 years straight line
L/Term leasehold property	-	Between 15 - 50 years
Fixtures and fittings	-	9 years straight line
Improvements to property	-	Between 20 - 25 years
Motor vehicles	-	4 years straight line
Computer equipment	-	4 years straight line

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.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.6 Liabilities

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 academy 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.

1.7 Provisions

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.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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 part 11, chapter 3 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 2018

1. Accounting Policies (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trustees consider that there are no critical areas of judgement with the exception of the pension valuation noted above.

2. Income from donations and capital grants

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority/existing trust on conversion	1,249	(4,343)	40,342	37,248	12,600
Other donations	18	-	-	18	10
Capital grants	-	-	1,004	1,004	13,356
Subtotal	18	-	1,004	1,022	13,366
	1,267	(4,343)	41,346	38,270	25,966
Total 2017	375	(3,570)	29,161	25,966	

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	34,453	34,453	25,976
Start Up Grants	-	13	13	22
Other DfE Group grants	-	2,693	2,693	2,125
		<u>37,159</u>	<u>37,159</u>	<u>28,123</u>
Other government grants				
Local authority grants	-	797	797	470
	-	<u>797</u>	<u>797</u>	<u>470</u>
Other income from the academy trust's educational operations	936	120	1,056	857
	<u>936</u>	<u>120</u>	<u>1,056</u>	<u>857</u>
	<u>936</u>	<u>38,076</u>	<u>39,012</u>	<u>29,450</u>
Total 2017	<u>721</u>	<u>28,729</u>	<u>29,450</u>	

4. Other trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	152	-	152	181
Rental income	19	-	19	51
Sundry income	215	105	320	303
School trips	-	807	807	446
	<u>386</u>	<u>912</u>	<u>1,298</u>	<u>981</u>
Total 2017	<u>387</u>	<u>594</u>	<u>981</u>	

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. Investment income

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	3	-	3	2
Total 2017	2	-	2	

6. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Teaching school	100	-	124	224	90
Expenditure on raising funds:					
- Support costs	-	-	1,032	1,032	458
Academies educational operations:					
- Direct costs	21,922	2,708	2,499	27,129	24,580
- Support costs	10,919	3,488	2,655	17,062	11,616
	32,941	6,196	6,310	45,447	36,744
Total 2017	24,693	7,327	4,724	36,744	

7. Charitable activities

	Educational operations 2018 £000	Total 2018 £000	Total 2017 £000
Direct costs	27,129	27,129	24,580
Support costs	17,062	17,062	11,616
Total 2018	44,191	44,191	36,196
Total 2017	36,196	36,196	

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. Charitable activities (continued)

Support costs

	Total 2018 £000	Total 2017 £000
Staff costs	10,919	6,506
Depreciation	211	113
Technology costs	841	388
Premises costs	3,488	2,811
Other support costs	1,468	1,398
Governance costs	135	400
	<u>17,062</u>	<u>11,616</u>
At 31 August 2017	<u>11,616</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	2,919	2,009
Impairment of fixed assets	-	2,507
Auditor's remuneration - audit	20	18
Auditor's remuneration - other services	13	6
Operating lease rentals	-	37
	<u>-</u>	<u>37</u>

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	24,357	18,325
Social security costs	2,266	1,787
Operating costs of defined benefit pension schemes	5,815	4,029
	<u>32,438</u>	<u>24,141</u>
Supply teacher costs	386	437
Staff restructuring costs	117	115
	<u>32,941</u>	<u>24,693</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017: £9k). Individually the payments were £Nil (2017: £9k).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	451	321
Administration and support	624	398
Management	71	40
	<u>1,146</u>	<u>759</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	12	11
In the band £70,001 - £80,000	5	1
In the band £80,001 - £90,000	4	3
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	3	1
In the band £110,001 - £120,000	1	1

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs (continued)

e. 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,282k (2017: £986k).

10. Central services

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

- Leadership mentoring support
- School Improvement services
- Trust Subject Directors for English, Maths, Science and Modern Foreign Languages
- Lead Practitioner support
- Data management services
- Student Re-Integration Services
- Attendance management support
- Budget, Forecast & Monthly reporting & review coordination
- Financial transactional processing services
- Financial Statement preparation & external audit management
- Internal Audit services
- ESFA reporting management
- Accounting Officer & Chief Financial Officer services
- Funding applications
- Finance systems
- Company Secretarial services
- Legal & Professional services
- Capital funding services
- Project management
- Teacher recruitment support
- Payroll services & systems
- HR advisory, HR systems, Apprenticeship Levy management
- IT support
- Facilities management & support

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

Central services (continued)

The academy charges for these services on the following basis:

4% of GAG income for primary academies
Between 5% and 5.5% for secondary academies

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
The Redhill Academy	386	483
The Carlton Academy	257	217
Oakwood Academy	217	206
South Notts Academy	144	128
Park Vale Academy (formerly Top Valley Academy)	210	185
Hall Park Academy	191	-
Colonel Frank Seely Academy	167	-
The Bolsover School	120	-
Robert Mellors Primary Academy	14	-
The Carlton Junior Academy	27	-
The Carlton Infant Academy	24	-
Redhill Teching School Alliance	5	2
	<u>1,762</u>	<u>1,221</u>
Total		

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2017 - £Nil).

During the year, no Trustees received any reimbursement of expenses (2017 - £Nil).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim and the cost for the year ended 31 August 2018 was included within the total insurance cost.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. Tangible fixed assets

	Freehold property £000	L/Term Leasehold property £000	Building improvements £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000
Cost						
At 1 September 2017	22,641	72,101	2,945	35	360	640
Additions	-	-	624	25	92	293
Disposals	-	(517)	-	-	-	-
On conversion to academy trust	-	39,982	-	-	-	95
At 31 August 2018	22,641	111,566	3,569	60	452	1,028
Depreciation						
At 1 September 2017	2,526	7,232	437	30	159	547
Charge for the year	584	1,950	174	11	49	151
On disposals	-	(517)	-	-	-	-
At 31 August 2018	3,110	8,665	611	41	208	698
Net book value						
At 31 August 2018	19,531	102,901	2,958	19	244	330
At 31 August 2017	20,115	64,869	2,508	5	201	93
						Total £000
Cost						
At 1 September 2017						98,722
Additions						1,034
Disposals						(517)
On conversion to academy trust						40,077
At 31 August 2018						139,316
Depreciation						
At 1 September 2017						10,931
Charge for the year						2,919
On disposals						(517)
At 31 August 2018						13,333
Net book value						
At 31 August 2018						125,983
At 31 August 2017						87,791

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. Tangible fixed assets (continued)

Included in leasehold property is land of £17,663k (2017: £10,005k) which is not depreciated.

Included in freehold property is land of £5,780k (2017: £5,780k) which is not depreciated.

14. Debtors

	2018	2017
	£000	£000
Trade debtors	60	81
VAT recoverable	177	133
Other debtors	-	3
Prepayments and accrued income	1,479	594
	<u>1,716</u>	<u>811</u>

15. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	1,090	686
Other taxation and social security	648	456
Other creditors	204	191
Accruals and deferred income	1,652	988
	<u>3,594</u>	<u>2,321</u>

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. Creditors: Amounts falling due within one year (continued)

	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	712	431
Resources deferred during the year	1,031	712
Amounts released from previous years	(712)	(431)
Deferred income at 31 August 2018	<u>1,031</u>	<u>712</u>

Deferred income includes the following :

High Level Needs income of £113k (2017: £74k)
Universal Infant Free School Meal Income of £62k (2017: £Nil)
Additional Inclusion of £Nil (2017: £9k)
Minimum Fund Guarantee of £328k (2017: £Nil)
Phone mast income of £7k (2017: £5k)
Teaching school income of £20k (2017: £46k)
ESFA rates relief income of £107k (2017: £80k)
Exclusions income of £41k (2017: £24k)
Lighting income of £9k (2017: £Nil)
PFI transition fund income of £134k (2017: £Nil)
AFN income of £90k (2017: £34k)
Hub funding of £Nil (2017: £200k)
Converter grant funding of £Nil (2017: £57k)
Salary recharges of £Nil (2017: £10k)
Other ESFA grants of £28k (2017: £2k)
RB Prim income of £Nil (2017: £113k)
Ecorys income of £28k (2017: £14k)
Re-brokerage income of £Nil (2017: £28k)
Vision bid income of £16k (2017: £16k)
Healthy pupil fund £36k (2017: £Nil)
Tupton Hall Grant £11k (2017: £Nil)

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. Statement of funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	536	2,592	(1,449)	-	-	1,679
Restricted funds						
General Annual Grant (GAG)	-	34,453	(34,135)	128	-	446
Pupil Premium	246	1,914	(1,815)	-	-	345
Start Up Grant	-	13	(13)	-	-	-
Other restricted	105	3,010	(3,115)	-	-	-
Pension reserve	(16,142)	(4,486)	(2,001)	-	4,274	(18,355)
	(15,791)	34,904	(41,079)	128	4,274	(17,564)
Restricted fixed asset funds						
Capital donations	84,468	40,342	(2,806)	-	-	122,004
DfE/ESFA capital grants	3,407	1,004	(99)	(128)	-	4,184
Capital expenditure from restricted funds	239	-	(5)	-	-	234
Capital expenditure from GAG	411	-	(9)	-	-	402
	88,525	41,346	(2,919)	(128)	-	126,824
Total restricted funds	72,734	76,250	(43,998)	-	4,274	109,260
Total of funds	73,270	78,842	(45,447)	-	4,274	110,939

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.

Transfers relate to capital funds used for revenue expenditure in accordance with grant conditions.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. Statement of funds (continued)

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.

Under the funding agreement with the Secretary of State, the aca was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
The Redhill Academy	772	519
The Carlton Academy	119	73
Hall Park Academy	(521)	(559)
Oakwood Academy	46	(114)
South Notts Academy	194	358
Park Vale Academy (formerly Top Valley Academy)	583	336
Colonel Frank Seely Academy	548	-
The Bolsover School	272	-
Robert Mellors Primary Academy	123	-
The Carlton Junior Academy	69	-
The Carlton Infant Academy	31	-
Redhill Teaching School Alliance	197	184
Redhill Academy Trust	37	90
Total before fixed asset fund and pension reserve	2,470	887
Restricted fixed asset fund	126,824	88,525
Pension reserve	(18,355)	(16,142)
Total	110,939	73,270

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

Name of academy	Amount of deficit £000
Hall Park Academy	521

Low student numbers in older years have affected the academy's funding income and ability to cover its operating costs, many of which are of a fixed or semi-fixed nature. Management's focus on school improvement activities (2017 OFSTED rating of Good) has significantly improved the academy's reputation and pupil admission numbers. This coupled with strong financial management has led to the academy generating an in-year revenue surplus which will enable the academy to commence its repayment plan.

In 2018 the academy created a revised three year plan. Implementation of this plan will largely address the deficit position within the period, with the full deficit expected to be addressed within 5 years.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
The Redhill Academy	4,624	1,801	683	829	7,937	7,319
The Carlton Academy	2,872	1,336	505	680	5,393	5,139
Hall Park Academy	2,190	957	361	399	3,907	3,995
Oakwood Academy	2,408	1,086	292	1,288	5,074	5,363
South Notts Academy	1,910	1,035	356	405	3,706	3,370
Park Vale Academy (formerly Top Valley Academy)	2,511	982	366	588	4,447	4,379
Colonel Frank Seely Academy	2,112	919	236	567	3,834	-
The Bolsover School	1,603	846	288	726	3,463	-
Robert Mellors Primary Academy	239	237	24	52	552	-
The Carlton Junior Academy	461	298	56	105	920	-
The Carlton Infant Academy	349	400	35	100	884	-
Redhill Teaching School Alliance	44	56	5	119	224	293
Redhill Academy Trust	643	1,022	2	520	2,187	2,249
Sherwood Academy	-	-	-	-	-	121
	<u>21,966</u>	<u>10,975</u>	<u>3,209</u>	<u>6,378</u>	<u>42,528</u>	<u>32,228</u>

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. Statement of funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
General Funds	1,067	1,487	(1,093)	(925)	-	536
Restricted funds						
General Annual Grant (GAG)	(698)	25,976	(26,203)	925	-	-
Pupil Premium	159	1,520	(1,433)	-	-	246
Start Up Grant	-	22	(22)	-	-	-
Other restricted	147	1,977	(2,019)	-	-	105
Pension reserve	(11,269)	(3,655)	(1,159)	-	(59)	(16,142)
	(11,661)	25,840	(30,836)	925	(59)	(15,791)
Restricted fixed asset funds						
Capital donations	60,634	28,142	(4,308)	-	-	84,468
DfE/ESFA capital grants	2,822	1,019	(434)	-	-	3,407
Capital expenditure from restricted funds	271	-	(32)	-	-	239
Capital expenditure from GAG	451	-	(40)	-	-	411
	64,178	29,161	(4,814)	-	-	88,525
Total restricted funds	52,517	55,001	(35,650)	925	(59)	72,734
Total of funds	53,584	56,488	(36,743)	-	(59)	73,270

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. Analysis of net assets between funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	125,983	125,983
Current assets	1,679	4,385	841	6,905
Creditors due within one year	-	(3,594)	-	(3,594)
Provisions for liabilities and charges	-	(18,355)	-	(18,355)
	<u>1,679</u>	<u>(17,564)</u>	<u>126,824</u>	<u>110,939</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	87,791	87,791
Current assets	536	2,672	734	3,942
Creditors due within one year	-	(2,321)	-	(2,321)
Provisions for liabilities and charges	-	(16,142)	-	(16,142)
	<u>536</u>	<u>(15,791)</u>	<u>88,525</u>	<u>73,270</u>

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

	2018 £000	2017 £000
Net income for the year (as per Statement of Financial Activities)	33,395	19,745
Adjustment for:		
Depreciation charges	2,919	2,009
Transfer from academies on conversion	(37,248)	(12,600)
Interest receivable	(3)	(2)
Loss on the sale of fixed assets	-	3
(Increase)/decrease in debtors	(905)	241
Increase in creditors	1,273	496
Capital grants from DfE and other capital income	(1,004)	(13,356)
Defined benefit pension scheme cost less contributions payable	1,528	870
Defined benefit pension scheme finance cost	473	289
Impairment of fixed assets	-	2,507
Net cash provided by operating activities	<u>428</u>	<u>202</u>

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. Analysis of cash and cash equivalents

	2018	2017
	£000	£000
Cash in hand	5,189	3,131
Total	<u>5,189</u>	<u>3,131</u>

20. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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

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
- 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%.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £2,694k (2017 - £2,077k).

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 an unfunded 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 2018 was £1,572k (2017 - £1,030k), of which employer's contributions totalled £1,187k (2017 - £770k) and employees' contributions totalled £385k (2017 - £260k). 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.
Nottinghamshire County Council

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. 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:

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

Derbyshire County Council

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	-
Rate of increase in salaries	2.90 %	-
Rate of increase for pensions in payment / inflation	2.40 %	-
Inflation assumption (CPI)	2.40%	-

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

	2018	2017
Retiring today		
Males	21.9	-
Females	24.4	-
Retiring in 20 years		
Males	23.9	-
Females	26.5	-

	At 31 August	At 31 August
Sensitivity analysis	2018	2017
	£000	£000
Discount rate +0.1%	(889)	(739)
Discount rate -0.1%	912	690
Mortality assumption - 1 year increase	1,084	916
Mortality assumption - 1 year decrease	(1,049)	(888)
CPI rate +0.1%	780	592
CPI rate -0.1%	(761)	(578)

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	12,754	8,905
Gilts	512	433
Other bonds	2,170	1,571
Property	2,589	1,570
Cash	467	300
Other	1,189	650
Total market value of assets	<u>19,681</u>	<u>13,429</u>

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

	2018 £000	2017 £000
Current service cost	(2,697)	(1,634)
Losses on curtailments and settlements	-	(1)
Administration expenses	(5)	(5)
Interest income	429	236
Interest cost	(902)	(525)
Past service cost	(13)	-
Total	<u>(3,188)</u>	<u>(1,929)</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	29,571	19,808
Inherited	8,392	6,448
Current service cost	2,697	1,634
Interest cost	902	525
Employee contributions	385	260
Actuarial (gains)/losses	(3,659)	1,113
Benefits paid	(265)	(218)
Liabilities extinguished on settlements	-	1
Past service costs	13	-
Closing defined benefit obligation	<u>38,036</u>	<u>29,571</u>

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. Pension commitments (continued)

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	13,429	8,539
Inherited	3,906	2,793
Interest income	429	236
Actuarial losses	615	1,054
Employer contributions	1,187	770
Employee contributions	385	260
Benefits paid	(265)	(218)
Administration expenses	(5)	(5)
	<hr/>	<hr/>
Closing fair value of scheme assets	19,681	13,429
	<hr/>	<hr/>

21. Operating lease commitments

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	Restated
	£000	2017
		£000
Amounts payable:		
Within 1 year	1,982	1,121
Between 1 and 5 years	7,671	4,366
After more than 5 years	22,362	11,494
	<hr/>	<hr/>
Total	32,015	16,981
	<hr/>	<hr/>

On conversion, the Private Finance Initiative ("PFI") property used by the Trust was transferred from Nottingham City Council And Derbyshire County Council to the trust via a donation. No liability has arisen as a result of this transaction as Nottingham City Council and Derbyshire County 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. The commitment currently amounts to approximately £1,878k 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. the Trust has received annual income of £996k from th ESFA to assist with the PFI costs.

Historically the amounts in the table above have excluded the PFI commitments detailed in the paragraph above. Comparatives have been restated to include these PFI commitments. This restatement has no impact on the net assets or the result for either year.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22. Related party transactions

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. the following related party transactions took place in the financial period.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

23. Conversion to an academy trust

On 1 October 2017 Colonel Frank Seely Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Redhill Academy Trust from Nottinghamshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	18,820	18,820
DFC on conversion	-	-	8	8
Budget surplus/(deficit) on LA funds	549	-	-	549
Budget surplus/(deficit) on other school funds	-	43	-	43
LGPS pension surplus/(deficit)	-	(1,070)	-	(1,070)
Net assets/(liabilities)	549	(1,027)	18,828	18,350

The above net assets include £600k that were transferred as cash.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. Conversion to an academy trust

On 1 November 2017 The Carlton Infant Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Redhill Academy Trust from Nottinghamshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	2,775	2,775
DFC on conversion	-	-	12	12
Budget surplus/(deficit) on LA funds	50	-	-	50
LGPS pension surplus/(deficit)	-	(408)	-	(408)
Net assets/(liabilities)	50	(408)	2,787	2,429

The above net assets include £62k that were transferred as cash.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. Conversion to an academy trust (continued)

On 1 November 2017 The Carlton Junior Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Redhill Academy Trust from Nottinghamshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	3,491	3,491
DFC on conversion	-	-	23	23
Budget surplus/(deficit) on LA funds	65	-	-	65
LGPS pension surplus/(deficit)	-	(620)	-	(620)
Net assets/(liabilities)	65	(620)	3,514	2,959

The above net assets include £88k that were transferred as cash.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. Conversion to an academy trust (continued)

On 1 February 2018 The Bolsover School joined the Redhill Academy Trust and all the operations and assets and liabilities were transferred to Redhill Academy Trust for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from existing trust on conversion.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	10,970	10,970
Other assets	-	-	95	95
DFC on conversion	-	-	208	208
Budget surplus/(deficit) on transfer	399	-	-	399
Budget surplus/(deficit) on other school funds	-	100	-	100
LGPS pension surplus/(deficit)	-	(1,712)	-	(1,712)
Net assets/(liabilities)	399	(1,612)	11,273	10,060

The above net assets include £707k that were transferred as cash.

REDHILL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

24. Conversion to an academy trust (continued)

On 1 May 2018 Robert Mellors Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Redhill Academy Trust from Nottinghamshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	3,925	3,925
DFC on conversion	-	-	14	14
Budget surplus/(deficit) on LA funds	187	-	-	187
LGPS pension surplus/(deficit)	-	(677)	-	(677)
Net assets/(liabilities)	187	(677)	3,939	3,449

The above net assets include £201k that were transferred as cash.

25. 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.

26. Agency Arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £59k (2017: £53k) and disbursed £59k (2017: £35k) from the fund. An amount of £119k (2017: £91k) is included in other creditors relating to undistributed funds that is repayable to ESFA.

REDHILL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

27. Teaching school trading account

	2018	2018	2017	2017
	£000	£000	£000	£000
Income				
Direct income				
Other income	259		90	
Total income		259		90
Expenditure				
Direct expenditure				
Direct staff costs	44		47	
Staff development	13		-	
Other direct costs	90		-	
Other expenditure				
Other staff costs	56		43	
Central charges removed on consolidation	22		-	
Other support costs	21		-	
Total expenditure		246		90
Surplus from all sources		13		-
Teaching school balances at 1 September 2017		184		184
Teaching school balances at 31 August 2018		<u>197</u>		<u>184</u>