

Company Registration Number: 07689980 (England and Wales)

**REDDEN COURT SCHOOL**  
(A company limited by guarantee)

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

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**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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The following pages do not form part of the statutory financial statements:

**Statement of Accounting Policies**

**Other Notes to the Financial Statements**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Trustees**

D. Anscomb<sub>1</sub>  
P. Barlow - resigned 9/7/15  
V. Bensilum<sub>2</sub>  
J. Coles<sub>1,2</sub>  
S. Dickson  
B. Dorrian  
A Dowding  
S. Durrant<sub>1,2</sub> - Chair of Governors  
J. Wilkinson<sub>1</sub>  
C. Gray - resigned – 9/7/15  
J. Hardy - resigned – 1/8/15  
D. Lagden – Term of Office ended 18<sup>th</sup> July 2015  
C. Mitchell<sub>1</sub>  
T Murray  
L Phillips<sub>1</sub>  
K. Pyle<sub>1,2</sub> - Vice Chair of Governors  
J. Sargood  
L. Smith  
A Warren - appointed 13/1/2015  
P Ward – Ex Officio  
B West

1 Member of the resources committee

2 Trust Member

**Company registered number**

07689980 (England and Wales)

**Company Secretary**

J Barrett

**Senior Management Team**

P Ward	Headteacher
F Gilgan	Deputy Headteacher
L Kelly	Deputy Headteacher
J Barrett	Business Manager
T Greaves	Assistant Headteacher
S Thompson	Assistant Headteacher
D Lagden	Assistant Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS  
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**Independent Auditors**

MHA MacIntyre Hudson  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

**Bankers**

Lloyds Plc  
1-3 Market Place  
Romford  
Essex  
RM31 3AA

National Westminster Bank  
192 Hildene Avenue  
Harold Hill  
RM3 8DD

**Solicitors**

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Havering. It has a pupil capacity of 750 and had a roll of 761 in the school census on 5 October 2015.

**Structure, Governance and Management**

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The trustees of the Academy Trust are also the directors and trustees of the charitable company for the purposes of company law. The Charitable Company is known as Redden Court School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was included as part of the risk protection agreement set in place for all Academies that joined the pool which is based on a cost per pupil ratio.

Method of Recruitment and Appointment or Election of Trustees

The Trustees have the option to unanimously vote new members to the Trust and this must be done in writing under the terms of the Articles of Association. Any new members must be unanimously voted in writing and the new member must also agree this in writing.

Where there are vacancies for directors where these are parents, the vacancy is advertised to parents with an election process if more nominations are made than vacancies. Where there is a staff vacancy the Headteacher advertises this to staff and an election takes place if there are more staff nominated than vacancies. The Board of directors have the power to co-opt a director on to the Board of Directors.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body has signed up to a support service from Havering Governor Services. This includes induction training plus a suite of other training courses and access to consultancy and on line training packages. The Board of Trustees has also signed up to support provision from the National Governance Association that provides support for members.

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**REDDEN COURT SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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Organisational Structure

The school operates a structure where the Board of Trustees are responsible for the Strategic direction of the school and holding the management team to account for delivery of services and financial probity. The Headteacher is responsible for the operational management of the school and distributes these responsibilities to the Senior Leadership team. The Senior Leadership team consists of two Deputy Headteachers, the School Business Manager and three Assistant Headteachers. The school holds bi-weekly Senior Leadership Team meetings to discuss the operational management of the school and make operational decisions. Strategic decisions are made by the board of trustees who meet termly and decisions are delegated to the appropriate committees that also meet at least once per term. The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Academy is part of a locality group with two other local academy schools and other primary schools. The school works with a number of outside agencies including social services, local authorities, the national health service and the police service.

The Academy also works in partnership with Havering Sixth form College and Havering College of Further & Higher Education, to which many of the Academy's pupils transfer on completing their education at the Academy.

The Academy has a Memorandum of Understanding with The Albany Academy and Hall Mead Academy. An Educational Welfare Officer is shared by four schools in the Havering Authority and costs are split evenly. The school is also setting up an agreement with seven other schools to deliver a shared cover service.

**Objectives and Activities**

Objects and Aims

The Academy Trust's objective is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To promote for the benefit of the inhabitants of the London Borough of Havering and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The Academy's main strategy is encompassed in its mission statement which is "Committed to Success". To this end the activities include:

- Performing arts
- Dance
- Football
- Marching band
- Adult college
- Flower arranging
- Zumba
- Badminton
- Sugarcraft
- Taekwondo

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

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

**Equal opportunity policy / Disabled Persons**

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by making reasonable adaptations to the physical environment, by making support resources available and through training and career development.

- Pastoral care;
- Careers advice;
- Counselling; and
- Home school support.
- Delivery of an enriched curriculum;
- School clubs` and
- Mentoring.

**Public Benefit**

The main purpose of the Academy is to provide an education to all students admitted to the school. The Academy provides a varied curriculum to students of all abilities of an age range from 11 to 16 years old.

The Trustees and Directors also recognise that the Academy is part of community life and as such offers the school resource for fundraising and community charitable events on a cost neutral basis. Students are educated on the services provided by charities and students are leaders in identifying charitable causes they wish to support. The school has supported Barnado's, The Teenage Cancer Trust and St Francis Hospice, as well as the Cancer Trust through a range of activities including Mistletoe Day, Non-Uniform Events and sponsored activities.

The Academy has supported the Macmillan Cancer Trust, Water Aid, The Benevolent Society and also individuals fundraising for charitable events by offering the school premises at cost.

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the public benefit for the include Duke of Edinburgh Award, Zumba, Badminton, Dance, Taekwondo, Marching Band, Adult College, Football teams, Netball and Basketball teams all that hire the premises. The Academy also offers the premises for community events such as fundraising quiz nights, discos and pamper evenings.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy has just completed its fourth year of operation and is now oversubscribed and attracting significantly more applications than the forecast number of students. Total students in the year ending 31 August 2015 are 729 and the Academy has a full complement in all year groups. The Academy has agreed to admit 150 students each year from September 2011, which represents an increase of 25 students in each year group.

Examination results for 2015 were good results for the Academy with 70% of students achieving 5 A\* to C including English and Maths. The National average is 63%. School Value Added figures are still to be published.

The Academy was inspected by Ofsted in November 2011 and judged to be a good school with outstanding features. These outstanding features include Leadership and Management, Behaviour, Safeguarding, Leadership of Teaching and Learning and Capacity to Improve Further. This judgment was a significant improvement on the January 2009 judgement where the school was considered to be barely satisfactory.

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

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To ensure that standards continue to rise, the Academy operates an extensive Teaching and Learning programme using data to inform teaching and interventions vigorously where underperformance is detected.

The curriculum at Redden Court is structured to offer a 2 year KS3 with a wide range of subjects. In addition to the baccalaureate subjects, the school offers Design and Technology, Art, Music, Drama PE, RE, Citizenship and Modern Foreign Languages in KS3. In KS4 the Academy offers a variety of pathways including an applied pathway, a vocational pathway and an academic pathway based on the Ebacc.

We also offer a wide range of extra-curricular activities, particularly in Sport, The Performing Arts, Duke of Edinburgh and additional GCSE's.

The opportunity for work experience is offered to all students at the end of Year 10. Our PE department is extremely successful and hosts a number of teams in all year groups that compete in all the local school leagues.

**Key Performance Indicators**

The Academy was once again very successful during the 2014/15 academic year. In terms of measuring our performance the following key performance indicators are most relevant.

In the 2015 examinations 70% of our Y11 cohort achieved 5 A\* to C grades including English and Maths (National Average 56%), 41% of our students achieved the English Baccalaureate (National Average 24%). We remain heavily oversubscribed with over 600 applications for our 150 places in the new Y7 and significant waiting lists for all other year groups. Our overall student attendance remains consistently above 96% (National average 94%) which places us in the upper quartile of schools nationally. We continue to recruit staff of a high calibre who contribute to the Academy's overall success. These trends in our main KPI's are consistent over time and regularly significantly above the national average.

**Going Concern**

The Board of Trustees recognise the significant impact that the current funding freeze is having on school finances. The Board of Trustees has made it clear that financial viability and outcomes are the key foci. Budgets have been forecast to 2018 and key curriculum changes have been agreed to support efficiencies and financial viability. Further budgetary cuts or impacts from a National Funding Formula are a concern as is the growth of High Needs students within the school that require specialist support. The board of trustees recognise the need to be strategic and make decisions to realise the key foci. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial Review**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with SORP 2005, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.



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

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During the year ended 31 August 2015, total expenditure of £5,312,906 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure (excluding the FRS17 actuarial adjustment) for the year was £138,273.

The expenditure of the Academy has fully supported the improvements in results that have been made by the students. Investment in staff and in to the resources and maintenance of the building has ensured a safe and happy working environment where staff are well trained, enthusiastic and deliver a well rounded curriculum. Our students achieve and say they enjoy learning. This is further emphasised by the added value that the school achieves and the levels of attainment that have been detailed above.

At 31 August 2015 the net book value of fixed assets was £12,241,368 and movements in tangible fixed assets are shown in the note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy held fund balances at 31 August 2015 of £11,519,005 comprising £284,478 of restricted funds, £12,241,368 of restricted fixed asset funds and £224,159 of unrestricted general funds and a pension reserve deficit of £1,231,000.

In accordance with FRS17, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31 August 2015 and is shown in note 24 to the financial statements.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amounts held in fixed assets and restricted funds) is £234,159 which is less than is needed.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent half a month's worth of Academy expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

At 31 August 2015 the total funds comprised:

Unrestricted	224,159
Restricted: Fixed asset funds	12,241,368
GAG	284,478
Pension reserve	(1,231,000)
	<hr/>
	<u>11,519,005</u>

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

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*Investment Policy*

Given the current economic climate and reducing budgets, reserves are being held as a contingency based on need for any major works. All contingency is ring fenced in case of need for an emergency situation. The Academy is operating in an environment where we have increasing numbers, decreasing budgetary income from the Department for Education and increasing salary, NI and pension contribution costs. As a result the Academy does not enter in to any investment arrangements. Currently all cash in the bank is in a current account that attracts interest however due to cash flow it would not be prudent to re-invest in any higher accounts given the nature of the funding environment for schools where Redden Court School receives a minimum funding guarantee that they will not receive less than 1.5 percent cut on income received. This results in a 1.5 percent cut in budget annually, with staffing and service contract costs increasing with inflation and increases to national insurance and pension contributions.

**Principal Risks and Uncertainties**

The Trustees, together with the Senior Leadership Team, have assessed the major risks to which the Academy is exposed; in particular relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees consider that various systems are in existence to assess risks that the Academy faces. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains the Academy has entered in to the Education Funding Agency's Risk Protection Arrangement.

The principal risks facing the Academy are:

- Reputational risk – mitigated by:
  - School to maintain profile through media, marketing and maintain public image through lettings and community engagement.
  - Ensure any controversial decisions are well supported through the Governing Body.
  - To review where Trustees may have high profile.
  - Expense policy is in place for trustees.
  - Trustees engaged in to school life and invited in to the school to support and challenge and feel part of the school. Training to ensure role is understood.
  - Ensure goods and services are procured and Best Value principles are put in place.
  - School maintains suitable salary structure for the size of the school.
  - School to ensure allocated budget is spent on students and consider saving where long term project is agreed.
  - School to self evaluate and be supported by Trustees to ensure any poor service is improved and eradicated.
  - To develop procedures that reduce potential for fraud and loss.
  - To maintain service with the Local Authority that supports the school to ensure it complies with Health and Safety Legislation and act appropriately where an incident does occur.
  - To regularly review risks and control measures.
  - To secure HR advice and guidance regarding and dismissal procedures.
  - To avoid any potential litigation where possible from the side of the Academy. Where litigation is involved to ensure compliance to the law

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

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- Performance risk – mitigated by:

- School to regularly review quality of reports presented to Trustees. Trustees to take responsibility for asking for more information where they feel reports may be inadequate.
- Ensure Management Information is extrapolated on time for meaningful review.
- Trustees and SLT to demand that Information provided is up to date and relevant to the success of the Academy.
- To ensure action planning is in place following discussions on review of MI.
- Trustees and Managers to review level of detailed information to inform decision making process.

Financial Risk – The principal financial risks are a freeze on funding and reduction annually of the Minimum Funding guarantee, a reduction in pupil numbers, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by:

- Budget Forecasting.
- Maximising teaching capacity
- Restructuring the Curriculum to deliver requirements within Funding agreement
- Ensuring Financial Probity
- Review and Monitoring of Financial Policies
- Adherence to Academies Financial Handbook.
- Continually review for efficiencies
- Ensure Grant income is used for appropriate purpose. Trustees to review how this income is being spent.
- Business Manager to ensure Grant requirements are met. Where staff bid for grants conditions reported for review internally. Trustees to check.
- Ensure suppliers are referenced and goods supplied prior to payment.
- To reference in advance of choosing supplier.
- Declarations of interest received and Pecuniary interest forms completed annually.
- To add intercom to delivery area of the school as site team may not be in the office.
- To measure quality of works prior to payment.
- Ensure that contingency is in place should supplier not have stock.
- To ensure procurement and quotes are received for works to the school.
- All ordering done through Finance Office to ensure Best Value. Business Manager to review current contracts and consider best value.

- Risks associated with personnel – mitigated by:

- Trustees have access to training as required. Trustees have Governance knowledge. Committee Chairs to meet on a regular basis.
- Where vacancies on Board of Trustees exists to advertise with skill sets required.
- For Chair of committees to set example and ensure that where no viable reason for poor attendance that consent is not allowed. Committees to ensure that Business is in line with Terms of Reference.
- The SLT and Chair of Trustees to ensure division of responsibilities are not blurred and discuss where conflict may occur.
- All Trustees complete a Pecuniary Interest Form and declarations of interest are requested at the start of any meeting.
- Responsible Officer is appointed by the Governing Body.
- All Trustees given responsibilities within the Academy to ensure responsibilities are delegated and shared amongst the Board.

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

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- CPD forms part of INSET to ensure understanding of Academy Status.
- Academy to focus on mission and values to ensure integrity. Learn from any mistakes.
- To ensure internal development opportunities for growth and to always consider succession especially where it is known that there is potential for leaders to seek promotion opportunities.
- Trustees to challenge and have SLT that questions decisions in line with Values and Objectives.
- To communicate and recognise achievement, strong leadership.
- To ensure development opportunities where possible.
- To have strong recruitment processes that challenge competencies required of applicants to the roles and robust reference and CRB checking.
- CRB checks and references from previous employer required prior to any access to children or confirming in to post.
- SLT to ensure appraisal processes are adhered to and that any capability issues are addressed.
- Advice is sought for any complex employee relations cases from Human Resource Professionals.
- Policies are strictly adhered to and that evidence is recorded regarding any employee relation issue.
- Staff have access to training to improve their competence and this forms part of an appraisal process.
- Staff have access to technical training and where this does not have impact to consider capability procedures.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

**Plans for Future Periods**

The Governing Body currently share a vision for further expansion including consideration of offering 16-19 provision. The school may also apply to be an Academy Sponsor with a vision of becoming a Multi Academy Trust within the local community. There is an increasing demand for school placed in the socio-economic area and consideration of further expansion of the school is also being evaluated.

**Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2015 and signed on the board's behalf by:



.....  
**Simon Durrant**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Scope of Responsibility**

As Trustees we acknowledge we have overall responsibility for ensuring that Redden Court School 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Redden Court School 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 and the Resources committee has met on 5 occasions. Attendance during the year at meetings of the board of trustees was as follows:

**Governors Attendance at Meetings - 2014/15**

**Resources**

	20th November 2014	4th December 2014	12th February 2015	13th May 2015	23rd June 2015
Joanna Wilkinson	N/A	N/A	N/A	N/A	Yes
Paul Ward	Yes	Yes	Yes	Yes	Yes
Simon Durrant	Yes	No	Yes	Yes	Yes
Lynette Phillips	Yes	Yes	Yes	Yes	Yes
Colin Mitchell	Yes	Yes	Yes	Yes	Yes
Karen Pyle	Yes	Yes	No	No	Yes
Jonathan Coles	Yes	Yes	Yes	Yes	Yes
Dean Anscomb	No	No	No	No	Yes

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Full Governors**

	20th November 2014	5th March 2015	9th July 2015
Simon Durrant	Yes	Yes	Yes
Dean Anscomb	Yes	Yes	Yes
Victor Bensilum	Yes	Yes	Yes
Jonathan Coles	Yes	Yes	Yes
Simon Dickson	Yes	Yes	Yes
Brian Dorrian	Yes	Yes	Yes
Christine Gray	Yes	Yes	No
Jacquie Hardy	Yes	Yes	No
Colin Mitchell	Yes	Yes	No
Tina Murray	Yes	Yes	Yes
Lynette Phillips	Yes	Yes	No
Joanne Sargood	Yes	Yes	Yes
Lynne Smith	Yes	Yes	No
Alan Warren	N/A	Yes	No
Bob West	Yes	Yes	Yes
Denise Lagdon	No	Yes	No
Pam Barlow	No	No	No
Karen Pyle	Yes	No	Yes
Alison Dowding	No	No	Yes
Paul Ward	Yes	Yes	Yes
Joanna Wilkinson	N/A	N/A	Yes

This year has seen some resignations from the Governing Body. As a result a proposal will be made to reconstitute the Governing Body in the first meeting of the Autumn term in 2016.

An external review of the board of directors was completed during the financial year and outcomes from this form actions on the School Development Plan

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- approve, monitor and evaluate the school budget
- review Financial and Premises policies
- approve expenditure of premises projects ensuring Financial Probity
- deal with staffing and personnel issues
- agree staffing structures
- provide a strategic direction for the allocation of funding

During the year Lynette Phillips, became the chair of the Resources Committee. Following the resignation of Christine Gray a new chair of Student Matters will be elected in Autumn 2015.

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

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

Additional staffing in Science and Maths was agreed and this delivered improved results to both Faculties. The restructure of the Senior Leadership Team has focused roles and accountabilities that has ensured value for money. Progress is being made on a print solution that prescribes to a Government Framework and that waste is minimised and delivers value for money. Contracts are regularly reviewed and a new cleaning contractor was procured which has resulted in a reduced cost for this service. Goods and services are tendered and thorough procurement processes are in place to ensure Financial Probity. All staff are aware of their responsibilities and need for efficiencies to deliver best possible value for money.

**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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Redden Court School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

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

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Bob West, a director, as Responsible Officer (RO). Mr West has an employment background with Coutts and is also a Chair of Finance committee at a partner Primary School. Based on this skill set the board of trustees wished Mr West to provide this function.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis the RO reports to the board of trustees, through the Full Committee on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities. The RO has fulfilled the functions of his role and met with the School Business Manager and Assistant School Business Manager on a termly basis and conducted a number of checks to ensure Financial Probity. Outcomes from these reports are passed to the Business Manager and the Board of Directors. Checks include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

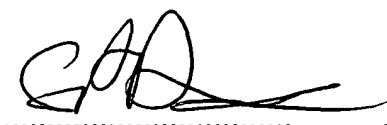
**Review of Effectiveness**

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

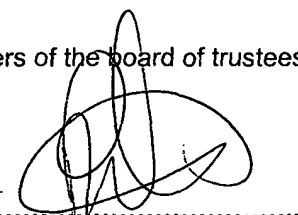
- the work of the responsible officer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the resources 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 9 December 2015 and signed on its behalf by:



**Simon Durrant**  
Chair of Trustees



**Paul Ward**  
Accounting Officer



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**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Redden Court School I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 (2014).

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

  
**Paul Ward**  
**Accounting Officer**

Date: 9 December 2015

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**REDDEN COURT SCHOOL**

**(A company limited by guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf by:



**Simon Durrant**  
**Chair of Trustees**

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**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDDEN COURT SCHOOL**

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

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**REDDEN COURT SCHOOL**  
(A company limited by guarantee)

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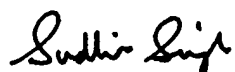
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDDEN COURT SCHOOL**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Sudhir Singh FCA (Senior statutory auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

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

Date: 22 December 2015

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**REDDEN COURT SCHOOL**

**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO REDDEN COURT SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Redden Court School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF REDDEN COURT SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

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

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

**APPROACH**

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

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

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

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

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**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO REDDEN COURT SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Internal Reviewer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

Date: *22 December 2015*

**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account and statement of total recognised gains and losses)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note					
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	14,181	-	-	14,181	29,277
Activities for generating funds	3	46,713	-	-	46,713	64,800
Investment income	4	828	-	-	828	672
Incoming resources from charitable activities	5	-	5,158,885	15,880	5,174,765	5,080,636
Other incoming resources	6	11,614	151,078	-	162,692	143,190
<b>TOTAL INCOMING RESOURCES</b>		<b>73,336</b>	<b>5,309,963</b>	<b>15,880</b>	<b>5,399,179</b>	<b>5,318,575</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising trading		1,659	-	-	1,659	-
Charitable activities	8	75,453	5,093,797	130,350	5,299,600	5,265,404
Governance costs	9	-	11,647	-	11,647	12,280
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>77,112</b>	<b>5,105,444</b>	<b>130,350</b>	<b>5,312,906</b>	<b>5,277,684</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>(3,776)</b>	<b>204,519</b>	<b>(114,470)</b>	<b>86,273</b>	<b>40,891</b>

**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	17	-	(46,635)	46,635	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>(3,776)</b>	<b>157,884</b>	<b>(67,835)</b>	<b>86,273</b>	<b>40,891</b>
Actuarial gains and losses on defined benefit pension schemes		-	(66,000)	-	(66,000)	(310,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(3,776)</b>	<b>91,884</b>	<b>(67,835)</b>	<b>20,273</b>	<b>(269,109)</b>
Total funds at 1 September 2014		227,935	(1,038,406)	12,309,203	11,498,732	11,767,841
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>224,159</b>	<b>(946,522)</b>	<b>12,241,368</b>	<b>11,519,005</b>	<b>11,498,732</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 47 form part of these financial statements.



**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07689980**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		12,241,368		12,309,203
<b>CURRENT ASSETS</b>					
Debtors	15	87,175		161,302	
Cash at bank and in hand		733,972		493,843	
		<u>821,147</u>		<u>655,145</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(312,510)		(352,616)	
<b>NET CURRENT ASSETS</b>			<u>508,637</u>		<u>302,529</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,750,005</u>		<u>12,611,732</u>
Defined benefit pension scheme liability	24		(1,231,000)		(1,113,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>11,519,005</u>		<u>11,498,732</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	284,478		74,594	
Restricted fixed asset funds	17	12,241,368		12,309,203	
Restricted funds excluding pension liability		<u>12,525,846</u>		<u>12,383,797</u>	
Pension reserve		<u>(1,231,000)</u>		<u>(1,113,000)</u>	
Total restricted funds			<u>11,294,846</u>		<u>11,270,797</u>
Unrestricted funds	17		<u>224,159</u>		<u>227,935</u>
<b>TOTAL FUNDS</b>			<u>11,519,005</u>		<u>11,498,732</u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:



**Simon Durrant**  
**Chair of Trustees**

The notes on pages 25 to 47 form part of these financial statements.

**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash flow from operating activities	19	<b>277,672</b>	172,119
Returns on investments and servicing of finance	20	<b>828</b>	672
Capital expenditure and financial investment	20	<b>(38,371)</b>	(12,800)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>240,129</b>	159,991

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

	<b>2015 £</b>	<b>2014 £</b>
<i>Increase in cash in the year</i>	<b>240,129</b>	159,991
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>240,129</b>	159,991
Net funds at 1 September 2014	<b>493,843</b>	333,852
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>733,972</b>	493,843

The notes on pages 25 to 47 form part of these financial statements.

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 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 and include grants from Education Funding Agency.

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

**1.3 Incoming resources**

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

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

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

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

Sponsorship income provided to the 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 is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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

A review for impairment of 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.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years straight line
Motor vehicles	-	10 years straight line
Computer equipment	-	3 years straight line

**1.7 Operating leases**

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

**1.8 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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

**2. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	14,181	-	14,181	29,277

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	46,713	-	46,713	48,868
Other self generated income	-	-	-	15,932
	46,713	-	46,713	64,800

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	828	-	828	672

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational Operations	-	5,174,765	5,174,765	5,080,636

**REDDEN COURT SCHOOL**  
(A company limited by guarantee)

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

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	4,622,630	4,622,630	4,526,316
Pupil premium	-	214,862	214,862	197,440
DfE/EFA capital grants	-	15,880	15,880	15,391
Other DfE/EFA revenue grants	-	8,000	8,000	-
	-	4,861,372	4,861,372	4,739,147
<b>Other government grants</b>				
Local Authority grants	-	313,393	313,393	332,207
Other Government grants	-	-	-	9,282
	-	313,393	313,393	341,489
	-	5,174,765	5,174,765	5,080,636

**6. OTHER INCOMING RESOURCES FROM EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other incoming resources	11,614	-	11,614	28,249
Contributions towards school trips	-	151,078	151,078	114,941
	11,614	151,078	162,692	143,190



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**7. RESOURCES EXPENDED**

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015	2015	2015	2015	2014
	£	£	£	£	£
Costs of activities for generating funds	-	-	1,659	1,659	-
<b>Costs of generating funds</b>	<b>-</b>	<b>-</b>	<b>1,659</b>	<b>1,659</b>	<b>-</b>
Direct costs - Educational Operations	3,673,271	-	487,877	4,161,148	4,019,169
Support costs - Educational Operations	377,868	494,913	265,671	1,138,452	1,246,235
<b>Charitable activities</b>	<b>4,051,139</b>	<b>494,913</b>	<b>753,548</b>	<b>5,299,600</b>	<b>5,265,404</b>
<b>Governance costs including allocated support costs</b>	<b>-</b>	<b>-</b>	<b>11,647</b>	<b>11,647</b>	<b>12,280</b>
	<b>4,051,139</b>	<b>494,913</b>	<b>766,854</b>	<b>5,312,906</b>	<b>5,277,684</b>

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**8. CHARITABLE ACTIVITIES**

	Total funds 2015 £	Total funds 2014 £
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff	3,673,271	3,606,469
Educational supplies	283,438	260,670
Examination fees	127,700	126,178
Staff development and training	33,322	21,657
Educational consultancy	25,454	-
Other direct costs	17,963	4,195
	<u>4,161,148</u>	<u>4,019,169</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff costs	362,868	347,685
Depreciation	122,086	123,390
FRS17 pension finance costs	15,000	16,000
Technology costs	41,491	132,805
Recruitment and support	15,693	118,144
Maintenance of premises and equipment	144,551	147,877
Cleaning	71,843	70,418
Rent and rates	92,577	85,828
Energy costs	71,346	71,069
Insurance	20,536	33,392
Security and transport	8,350	11,605
Catering	25,156	28,812
Bank interest and charges	94	580
(Gain)/loss on disposal of fixed assets	8,264	(11,721)
Other support costs	138,597	70,351
	<u>1,138,452</u>	<u>1,246,235</u>
	<u><u>5,299,600</u></u>	<u><u>5,265,404</u></u>

**9. GOVERNANCE COSTS**

	Total funds 2015 £	Total funds 2014 £
Auditor's remuneration - Audit of the financial statements	8,500	8,500
Auditor's remuneration - Other services	3,090	3,760
Support costs	57	20
	<u>11,647</u>	<u>12,280</u>

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**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	122,086	123,390
Auditors' remuneration	8,500	8,500
Auditors' remuneration - non-audit	3,090	3,760
Operating lease rentals:		
- other operating leases	76,750	74,227
	<u>122,086</u>	<u>123,390</u>

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,229,049	3,171,148
Social security costs	246,758	243,094
Other pension costs (Note 24)	558,445	509,912
	<u>4,034,252</u>	<u>3,924,154</u>
Supply staff costs	1,887	-
Staff restructuring costs	-	30,000
FRS17 pension finance costs	15,000	30,000
	<u>4,051,139</u>	<u>3,984,154</u>

**b. Staff numbers**

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

	2015 No.	2014 No.
Teachers	47	48
Administration and support	40	42
Management	7	7
	<u>94</u>	<u>97</u>

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**11. STAFF (continued)**

**c. Higher paid staff**

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

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>1</b>
In the band £90,001 - £100,000	<b>1</b>	<b>1</b>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £30,993 (2014 : £22,700).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
P Ward, Headteacher and Accounting Officer	105,000-110,000	90,000-95,000
L Smith, Staff Trustee	35,000-40,000	25,000-30,000
D Lagdon, Staff Trustee (resigned 18 July 2015)	55,000-60,000	50,000-55,000
N Goodey, Staff Trustee (appointed 12 June 2015)	5,000-10,000	-

During the year ended 31 August 2015, expenses for educational supplies totalling £661 (2014 - £20) were reimbursed to 2 Trustees (2014 - 1).

The value of Trustees' remuneration includes gross salary and employer pension contributions made during the year.

Remuneration disclosures for trustees who resigned prior to 1 September 2014 are not reflected in the table above.

P Ward is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £10,000-£15,000 (2014: £10,000-£15,000).

L Smith is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £5,000-£10,000 (2014: £5,000-£10,000).

D Lagdon is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £5,000-£10,000 (2014: £5,000-£10,000).

N Goodey is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £nil-£5,000.

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides Trustee' liability cover up to £1,000,000 on any one loss and any one membership year. The cost of the insurance for the year ended 31 August 2015 is included in the total insurance cost of £20,536 paid under the Department for Education's Risk Protection Arrangement, (RPA). The RPA is not an insurance scheme but is a mechanism through which the costs of risks that materialise from 1 September 2014 are covered by government funds.

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**14. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2014	12,548,915	42,000	62,770	12,653,685
Additions	-	-	62,515	62,515
Disposals	-	-	(12,775)	(12,775)
At 31 August 2015	12,548,915	42,000	112,510	12,703,425
<b>Depreciation</b>				
At 1 September 2014	287,340	12,600	44,542	344,482
Charge for the year	92,232	2,940	26,914	122,086
On disposals	-	-	(4,511)	(4,511)
At 31 August 2015	379,572	15,540	66,945	462,057
<b>Net book value</b>				
At 31 August 2015	12,169,343	26,460	45,565	12,241,368
At 31 August 2014	12,261,575	29,400	18,228	12,309,203

Included in land and buildings is freehold land at valuation of £7,650,000 (2014: £7,650,000) which is not being depreciated.

The leasehold property was professionally valued at conversion by Hilbery Chaplin, a RICS Registered Valuer using the depreciated replacement cost method.

The freehold property is owned by London Borough of Havering. The Academy Trust holds a 125 year leasehold on a peppercorn rent from 1 September 2011.

**15. DEBTORS**

	2015 £	2014 £
Trade debtors	3,240	4,859
VAT recoverable	22,424	28,746
Other debtors	-	4,739
Prepayments and accrued income	61,511	122,958
	<u>87,175</u>	<u>161,302</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. CREDITORS:**  
**Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>57,112</b>	126,284
Other taxation and social security	<b>75,422</b>	76,163
Pension contributions payable	<b>65,504</b>	65,627
Accruals and deferred income	<b>114,472</b>	84,542
	<hr/>	<hr/>
	<b>312,510</b>	352,616
	<hr/>	<hr/>

**Deferred income**

Deferred income at 1 September 2014	<b>68,921</b>
Resources deferred during the year	<b>89,973</b>
Amounts released from previous years	<b>(68,921)</b>

Deferred income at 31 August 2015	<b>89,973</b>
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At the balance sheet date the Academy Trust was holding funds received in advance of the 2015/16 academic year in respect of;

- Restricted income for school trips
- Restricted fundraising income for projects where the expenditure has not yet been made

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

**17. STATEMENT OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>						
General funds	<b>227,935</b>	<b>73,336</b>	<b>(77,112)</b>	<b>-</b>	<b>-</b>	<b>224,159</b>
<b>Restricted funds</b>						
General Annual Grant (GAG)	<b>65,239</b>	<b>4,622,630</b>	<b>(4,356,756)</b>	<b>(46,635)</b>	<b>-</b>	<b>284,478</b>
Pupil Premium	<b>-</b>	<b>214,862</b>	<b>(214,862)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other EFA Grants	<b>-</b>	<b>8,000</b>	<b>(8,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Local Authority Grants	<b>-</b>	<b>313,393</b>	<b>(313,393)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other activities	<b>9,355</b>	<b>151,078</b>	<b>(160,433)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pension reserve	<b>(1,113,000)</b>	<b>-</b>	<b>(52,000)</b>	<b>-</b>	<b>(66,000)</b>	<b>(1,231,000)</b>
	<b>(1,038,406)</b>	<b>5,309,963</b>	<b>(5,105,444)</b>	<b>(46,635)</b>	<b>(66,000)</b>	<b>(946,522)</b>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	<b>12,309,203</b>	<b>-</b>	<b>(130,350)</b>	<b>62,515</b>	<b>-</b>	<b>12,241,368</b>
EFA Capital Grants	<b>-</b>	<b>15,880</b>	<b>-</b>	<b>(15,880)</b>	<b>-</b>	<b>-</b>
	<b>12,309,203</b>	<b>15,880</b>	<b>(130,350)</b>	<b>46,635</b>	<b>-</b>	<b>12,241,368</b>
<b>Total restricted funds</b>	<b>11,270,797</b>	<b>5,325,843</b>	<b>(5,235,794)</b>	<b>-</b>	<b>(66,000)</b>	<b>11,294,846</b>
<b>Total of funds</b>	<b>11,498,732</b>	<b>5,399,179</b>	<b>(5,312,906)</b>	<b>-</b>	<b>(66,000)</b>	<b>11,519,005</b>

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

The General fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education Funding Agency (EFA) by the Department for Education (DfE). The GAG fund has been established because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other EFA Grants fund has been created to recognise the restricted funding received from the Department for Education / Education Funding Agency which fall outside the scope of core funding.



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**17. STATEMENT OF FUNDS (continued)**

The Local Authority Grants fund has been set up to recognise the income received from the London Borough of Havering as a contribution towards the cost of the Academy Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other Activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Academy Trust's core funding.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The EFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

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

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	12,241,368	12,241,368	12,309,203
Current assets	224,159	596,988	-	821,147	655,145
Creditors due within one year	-	(312,510)	-	(312,510)	(352,616)
Pension scheme liability	-	(1,231,000)	-	(1,231,000)	(1,113,000)
	<u>224,159</u>	<u>(946,522)</u>	<u>12,241,368</u>	<u>11,519,005</u>	<u>11,498,732</u>

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**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources	86,273	40,891
Returns on investments and servicing of finance	(828)	(672)
Depreciation of tangible fixed assets	122,086	123,390
Capital grants from DfE	(15,880)	-
Decrease/(increase) in debtors	74,127	(94,301)
(Decrease)/increase in creditors	(40,106)	68,811
FRS 17 adjustments	52,000	34,000
<b>Net cash inflow from operations</b>	<b>277,672</b>	<b>172,119</b>

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

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	828	672
	<b>2015 £</b>	<b>2014 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(62,515)	(19,404)
Sale of tangible fixed assets	8,264	6,604
Capital grants from DfE	15,880	-
<b>Net cash outflow capital expenditure</b>	<b>(38,371)</b>	<b>(12,800)</b>

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	493,843	240,129	-	733,972
<b>Net funds</b>	<b>493,843</b>	<b>240,129</b>	<b>-</b>	<b>733,972</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. MEMBERS' LIABILITY**

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

**23. CAPITAL COMMITMENTS**

At 31 August 2015 the Academy Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	-	39,999

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

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**24. PENSION COMMITMENTS**

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

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

Contributions amounting to £65,504 were payable to the scheme at 31 August 2015 (2014 - 65,627) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. PENSION COMMITMENTS (continued)**

The total pension costs paid to TPS in the period amounted to £501,521 (2014: £497,055), of which employer's contributions totalled £296,564 and employee's contributions totalled £204,957.

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £279,204, of which employer's contributions totalled £225,177 and employees' contributions totalled £54,027. The agreed contribution rates for future years are 28.8% for employers and 5.5 to 12.0% for employees.

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

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**24. PENSION COMMITMENTS (continued)**

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.70	1,105,000	6.50	933,000
Bonds	3.70	449,000	3.30	359,000
Property	3.70	86,000	4.50	72,000
Cash	3.70	86,000	3.30	72,000
Total market value of assets		<u>1,726,000</u>		<u>1,436,000</u>
Present value of scheme liabilities		<u>(2,957,000)</u>		<u>(2,549,000)</u>
Deficit in the scheme		<u><u>(1,231,000)</u></u>		<u><u>(1,113,000)</u></u>

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate, as per the forthcoming FRS102 disclosure requirements.

Therefore the Actuary has not disclosed an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 3.7% per annum, which has been used to determine the charge to the Statement of Financial Activities.

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,957,000)	(2,549,000)
Fair value of scheme assets	<u>1,726,000</u>	<u>1,436,000</u>
Net liability	<u><u>(1,231,000)</u></u>	<u><u>(1,113,000)</u></u>

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

	2015 £	2014 £
Current service cost	(264,000)	(213,000)
Interest on obligation	(100,000)	(103,000)
Expected return on scheme assets	<u>85,000</u>	<u>87,000</u>
Total	<u><u>(279,000)</u></u>	<u><u>(229,000)</u></u>
Actual return on scheme assets	<u><u>40,000</u></u>	<u><u>153,000</u></u>

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**24. PENSION COMMITMENTS (continued)**

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

	2015 £	2014 £
Opening defined benefit obligation	2,549,000	2,126,000
Current service cost	264,000	213,000
Interest cost	100,000	103,000
Contributions by scheme participants	54,000	52,000
Actuarial Losses	20,000	90,000
Benefits paid	(30,000)	(35,000)
	<u>2,957,000</u>	<u>2,549,000</u>
Closing defined benefit obligation	<u>2,957,000</u>	<u>2,549,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,436,000	1,357,000
Expected return on assets	85,000	87,000
Actuarial gains and (losses)	(46,000)	(220,000)
Contributions by employer	227,000	195,000
Contributions by employees	54,000	52,000
Benefits paid	(30,000)	(35,000)
	<u>1,726,000</u>	<u>1,436,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £528,000 loss (2014 - £462,000 loss).

The Academy Trust expects to contribute £222,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.40 %
Rate of increase in salaries	3.50 %	3.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Commutation of pensions to lump sums (pre April 2008)	50.00 %	50.00 %
Commutation of pensions to lump sums (post April 2008)	75.00 %	75.00 %

**REDDEN COURT SCHOOL**  
**(A company limited by guarantee)**

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

**24. 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:

	2015	2014
Retiring today		
Males	22.1	22.1
Females	24.1	24.1
Retiring in 20 years		
Males	24.2	24.2
Females	26.7	26.7

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(2,957,000)	(2,549,000)	(2,126,000)	(1,782,000)
Scheme assets	1,726,000	1,436,000	1,357,000	984,000
Deficit	(1,231,000)	(1,113,000)	(769,000)	(798,000)
Experience adjustments on scheme liabilities	(20,000)	(90,000)	(48,000)	-
Experience adjustments on scheme assets	(46,000)	(220,000)	115,000	31,000

**25. OPERATING LEASE COMMITMENTS**

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

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	2,913	26,467
Between 2 and 5 years	5,572	17,223



**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. RELATED PARTY TRANSACTIONS**

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

No transactions with related parties were undertaken such as are required to be disclosed under the Charity Commission Statement of Recommended Practice Accounting and Reporting by Charities SORP 2005 and the Academies Accounts Direction 2014 to 2015 issued annually by the EFA and the Companies Act 2006.

**27. CONTROLLING PARTY**

There is no ultimate controlling party.

**28. COMPANY LIMITED BY GUARANTEE**

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