

Registered number: 07901900

Redhill Academy

Trustees Report and Financial Statements

For the year ended 31 August 2017

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ACCOUNTANTS

Redhill Academy
(A company limited by guarantee)

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Redhill Academy
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Reference and Administrative Details
For the year ended 31 August 2017

Members	David Frankish Rachel Dean David Mills Beverley Malysz Mark Blyton
Trustees	David Frankish, Chair ¹ Rachel Dean ¹ David Mills ¹ Beverley Malysz, Vice Chair ¹ Mark Blyton ¹ Richard Willan Peter Rochford Sarah Henty, Staff Trustee ¹ Nicola Bargh, Head Teacher ¹ Ingrid Taylor, Staff Trustee Carolynn Parkin, Staff Trustee Matthew Day (resigned 29 September 2016) Matthew Bromley ¹ Peter Nicholson ¹ Andrew Davis ¹ Jo Shipway Dominic Waller (appointed 29 September 2016)

¹ Members of the finance, personnel and audit committee

Company registered number	07901900
Company name	Redhill Academy
Principal and registered office	The Ridings Ockbrook Derby Derbyshire DE72 3SF
Accounting Officer	Nicola Bargh
Senior management team	Nicola Bargh, Head Teacher Ingrid Taylor, Deputy Head Teacher Carolynn Parkin, Deputy Head Teacher Anthony Cicinski, Assistant Head Teacher

Redhill Academy
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Reference and Administrative Details of the Academy Trust, its Trustees and Advisers
For the year ended 31 August 2017

Advisers (continued)

Independent auditors	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
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Bankers	Royal Bank of Scotland 41 Cornmarket Derby DE1 2DG
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Solicitors	Langleys Olympic House Doddington Road Lincoln LN6 3SE
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Redhill Academy
(A company limited by guarantee)

Trustees' Report
For the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Since the Academy Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

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

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

b. Members' liability

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

c. Trustees' indemnities

Since the incorporation of the charitable company on 9 January 2012, the Trustees (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

d. Method of recruitment and appointment or election of Trustees

The Academy's Governing Body comprises the Head Teacher, a minimum of two parent Trustees, up to two staff Trustees (providing that the total number of Trustees, including the Head Teacher, who are employees of the Academy Trust does not exceed one third of the total number of Trustees) and up to twelve other Trustees appointed by the members of the charitable company.

Parent Trustees are elected by the parents of current pupils at the Academy. Staff Trustees are elected by the staff currently employed by the Academy Trust. With regard to the appointment of other Trustees, the members of the charitable company will give consideration to the skills mix of the Trustees in order to ensure that the Governing Body has the necessary skills to contribute fully to the Academy's development.

e. Policies and procedures adopted for the induction and training of Trustees

All new Trustees attend induction training courses and are issued with a welcome pack giving a wide range of information and guidance relating to the governance of the Academy. New Trustees are offered an experienced mentor from the Governing Body.

Details of Trustee training available are circulated regularly, the following training has been undertaken by one or more Trustees:

- E-safety
- Induction
- Safeguarding, including the Prevent duty, female genital mutilation and safer recruitment
- Raise Online – how to interpret performance data
- Health & Safety – the role of Governors

f. Organisational structure

The Governing Body normally meets once each academic term. The Governing Body establishes an overall framework for the governance of the Academy and agrees membership of committees. The Governing Body committees consist of a Finance and Personnel Committee who prepare and consider each year's School Improvement Plan and Annual Budget Plan, an Audit Committee which monitors systems of internal control and receives auditors' reports, a Teaching and Learning Committee who review the Academy's teaching and learning and curriculum related policies in line with the agreed cycle and make recommendations for change, a Facilities Committee who are responsible for the up keep of premises and grounds along with authorising any appropriate maintenance that may be required and an Admissions Committee who ensure the admission of pupils to the Academy is in accordance with the adopted policies. The Governing Body receives reports, and in particular policy documents from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. It also establishes the terms of reference for its committees.

The Governing Body is responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Head Teacher has responsibility for the day to day management of the Academy, the management of the Academy's financial position at a strategic and operational level and management of effective systems of internal control. The Head Teacher is the accounting officer as required by the funding agreement with the Department for Education.

g. Pay policy for key management personnel

Pay for key management personnel is set in line with the School Teachers' Review Body National Pay and Conditions document. Any incremental pay progression is dependent upon successfully meeting individual performance management targets, which are always linked to school improvement priorities and pupil performance.

h. Connected organisations, including related party relationships

There are no connected parties including related parties.

Objectives and Activities

a. Objects and aims

The principal object of the charitable company 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. As well as to promote for the benefit of the inhabitants of Ockbrook, Derby 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 the life of the said inhabitants

b. Objectives, strategies and activities

In partnership with parents, the Academy aims to develop all pupils to the maximum of their abilities. The principal objectives are that by the time pupils leave the Academy, they will have developed:

- their full potential in all areas of learning
- effective literacy, numeracy, ICT and problem solving skills
- the ability to value the richness of their own community, other peoples' cultures and the environment
- a love of learning and the confidence to express themselves with imagination and creativity
- the ability to behave with courtesy and good manners
- an understanding of the need for a healthy lifestyle
- a set of learning and social skills for a changing world

Key objectives for the year ended 31 August 2017 were:

- ensure writing outcomes remained high and close the Key Stage 2 gender gap in progress
- maintain the high quality provision in teaching and learning
- sustain high rates of achievement in maths

c. Public benefit

The Trustees have given consideration to the guidance on public benefit published by the Charity Commission.

The key public benefit delivered by Redhill Academy is the maintenance and development of a quality education by the school. It is the Trustees aim to deliver outstanding learning to all its students during the journey of improvement towards excellence.

Strategic report

Achievements and performance

a. Key performance indicators

The Academy aims to ensure that total staff costs (excluding any pension costs resulting from the FRS102 calculation but including agency staff costs) are within the range of 70% - 80% of total income (excluding assets transferred from the local authority on conversion). The ratio for the period 1 September 2016 to 31 August 2017 was 82% (2016 - 79%). Trustees are aware and are monitoring costs carefully. The school currently has an expensive and high performing staff, as the school moves forward Trustees will take every opportunity to reduce staffing costs, whilst maintaining outstanding provision.

The Academy also aims to maintain a minimum of £20,000 in general reserves (excluding fixed assets reserve and pension liabilities). The reserve held as at 31st August 2017 was £82,932 (2016 - £120,698). The higher level of reserve held is part of the Academy's medium term financial strategy and is anticipated to reduce over the term of the strategy.

b. Going concern

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 Accounting Policies.

c. Review of activities

The combined general restricted fund and unrestricted fund show an operating deficit (excluding the defined benefit pension scheme liability), of £37,766 (2016 - deficit £5,616). This operating deficit is the result of a fall in funding for the Academy but this has been minimised by detailed and tight budgeting and budget control procedures which were inherited from the former Foundation school, and which have been firmly embedded in the Academy's daily financial management.

The Academy held fund balances at 31st August 2017 of £1,058,298 comprising an amount of £(470,324) in respect of restricted funds, £1,469,366 in respect of restricted fixed asset funds and £59,256 in respect of unrestricted funds.

d. Investment policy and performance

The Academy seeks to maximise returns whilst minimising risk. Cash balances are held in interest bearing accounts. No other investments are held by the Academy.

Financial review

a. Reserves policy

The Governing Body have considered the risk to the school's budget and future funding and have decided to maintain a minimum of £20,000 in general reserves as a contingency. The reserves policy excludes fixed asset reserves and pension liabilities. At the end of the period under review the balance in this fund was £82,932 (2016 - £120,698).

The Governing Body review the reserves policy annually.

b. Material investments policy

The Academy seeks to maximise returns whilst minimising risk. No other investments are held by the Academy.

c. Principal risks and uncertainties

Trustees have assessed the major risks to which the Academy will be exposed and considered how the risks can be managed and mitigated.

The significant risks facing the Academy are:

- Inadequate student achievement. This is managed through ongoing monitoring of individual pupil progress and rigorous self-evaluation with input from the local authority. Trustees receive regular school performance updates, in addition the school improvement plan identifies appropriate priorities and is regularly reviewed by the Governing Body.
- Child protection and safeguarding risk. This is managed through having clear child protection and health and safety policies; adherence to statutory recruitment procedures including CRB checks; child protection training for all staff; external health and safety advice is purchased and followed.

d. Financial risk management objectives and policies

Given the nature of the Academy's operations and financing the financial risks faced by the Academy are limited. The Academy manages such risks as exist by ensuring an adequate level of reserves is maintained to deal with unexpected events. The Academy also carefully monitors and manages cash flow through the year including working capital requirements.

Plans for future periods

a. Future developments

The school remains focused on learning and the excellent teaching that promotes it. School improvement priorities for the 2017-2018 academic year include:

- Sustain high rates of progress in writing, continuing to close the attainment gap with reading and maths
- Sustain high rates of achievement in maths, so that the number of children achieving above the national standard remains high
- Sustain high rates of progress in all curriculum areas and continue to enhance children's outstanding behaviour

Strategies for achieving the objectives included:

- Moderating writing within school and with other schools
- Develop a tracking system showing children's progress in spelling
- Continue to develop a mastery maths approach, building in time in the school day to pick up misconceptions from lessons or pre-teach
- Develop children's understanding of themselves as learners in charge of their own learning

Funds held as custodian

The Academy holds no funds on behalf of others as a custodian trustee.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are 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 16 November 2017 and signed on its behalf by:



David Frankish
Chair of Trustees

Redhill Academy
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Redhill Academy 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
David Frankish, Chair	4	5
Rachel Dean	5	5
David Mills	3	5
Beverley Malysz, Vice Chair	5	5
Mark Blyton	0	0
Richard Willan	3	5
Peter Rochford	3	5
Sarah Henty, Staff Trustee	5	5
Nicola Bargh, Head Teacher	4	5
Ingrid Taylor, Staff Trustee	5	5
Carolynn Parkin, Staff Trustee	5	5
Matthew Bromley	1	5
Peter Nicholson	4	5
Andrew Davis	4	5
Jo Shipway	5	5
Dominic Waller	4	5

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to prepare and consider each year's School Improvement Plan and annual budget and options for consideration and approval by the Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Frankish	3	4
Matthew Bromley	1	4
Rachel Dean	2	4
Beverley Malysz	1	4
David Mills	3	4
Peter Nicholson	3	4
Mark Blyton	2	4
Sarah Henty	4	4
Nicola Bargh	4	4
Andrew Davies	3	4

Governance Statement (continued)

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to receive reports from the auditors and monitor the effectiveness of systems of internal control.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Frankish	2	2
Matthew Bromley	1	2
Rachel Dean	1	2
Beverley Malysz	1	2
David Mills	2	2
Peter Nicholson	1	2
Mark Blyton	1	2
Andrew Davies	1	2

During the period under review the Board of Trustees conducted a self-evaluation, concluding that the Board had the skills and experience required to deliver its functions effectively. Trustees intend to conduct self-evaluations on an annual basis. An external review of governance is also carried out annually by a Local Authority senior adviser, during the period she concluded that leadership, management and governance were outstanding and categorised the school's development stage as self-sustaining.

Review of Value for Money

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

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

- Continuing to raise student attainment.

Redhill Primary has a continuing trend of high performance with standards attained by pupils at the end of each key stage well above national outcomes. The school has a culture of high expectations and pupils make rapid progress, regardless of prior attainment and starting points.

The quality of teaching across the school is at least good and most is outstanding. The school's staffing structure is constantly under review to ensure optimal pupil to staff ratios. The Primary PE and School Sport Strategy funding has been used to employ a part time sports coach, to deliver specialist PE teaching and extend the range of extra curricular lunchtime and after school sports clubs available to pupils.

The school monitors attendance carefully and pupil attendance is consistently very high, this year it was over 97%. This is a continuing trend.

This year the school has carried out a comprehensive curriculum review, ensuring that all aspects of the new national curriculum programmes of study are taught and that there are a wealth of enrichment and extra-curricular activities. Strong links between subjects and enterprise projects have been established, which provide a wealth of opportunities for pupils to apply key literacy and numeracy skills across the curriculum and in real-life contexts. The quality of the curriculum is reflected in the very high standards of attainment and achievement of pupils across the school.

The school regularly reviews pupil premium expenditure and its effectiveness in improving achievement for children eligible for free school meals. Use of the grant and evaluation of its impact is published annually on the school's website. At the end of the academic year 2016/17 there were no pupil premium eligible pupils in the year 6 cohort, however the progress of pupils eligible for pupil premium across other year groups matched or exceeded that of their peers. This reflects the usual trend.

Governance Statement (continued)

- Robust governance and oversight of the Academy Trust's finances.

The Governing Body review and approve the annual budget of the Academy Trust and a 3 year budget, facilitating future stability. Members of the Governing Body are from a range of backgrounds and have a variety of qualifications and experience. They include several qualified accountants and a solicitor. The Finance and Personnel Committee meet quarterly to review the budget monitoring reports, approve larger expenditure items and monitor compliance with the Academy Trust's tender arrangements. The Governing Body also receive and approve the annual financial statements and the external auditors' report and take action on any recommendations.

- Ensuring the Academy Trust demonstrates value for money and efficient and effective use of resources.

The Academy Trust seeks to achieve the best value for money for all purchases. Competitive tendering procedures are in place for purchases over the annual tender limit and the purchase is approved in advance at a meeting of the Full Governing Body. Governors will take into account the benefits expected from the purchase and the relative costs and benefits of alternatives to the purchase. For purchases with a value of more than £2,000 but less than the tender limit, 3 written quotations are required.

This year the school has carried out capital works to extend security fencing, competitive tendering was carried out before the contract was awarded. A firm of quantity surveyors were employed to appraise options, ensure that the school received the best value for money and quality of service and that the project was completed on time and within budget. The school has also renegotiated its broadband contract this year, collaborating with another local Academy Trust in order to reduce costs.

- Maximising income generation.

The Academy Trust explores opportunities to generate income through hire of academy facilities and fundraising together with the parents and the school PTFA. During the year, the school successfully bid for and received funds for the above capital works. The school has a policy of regularly applying for grants to improve the fabric of its buildings and this will continue. During the year the school has generated additional income by offering teaching training placements.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Redhill Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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)

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 Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Dains LLP as internal auditor.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of expense claims
- Testing of control accounts and bank reconciliations
- Testing of fixed asset additions and disposals

On a quarterly basis, the auditor's reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

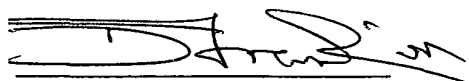
Review of Effectiveness

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

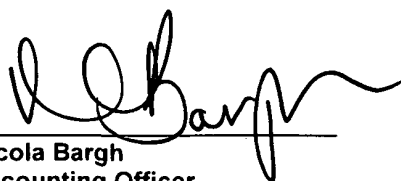
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 16 November 2017 and signed on their behalf, by:



David Frankish
Chair of Trustees



Nicola Bargh
Accounting Officer

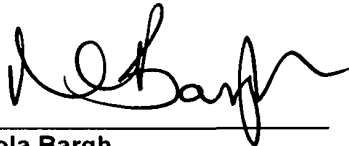
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Redhill Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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



Nicola Bargh
Accounting Officer

Date: 16 November 2017

Redhill Academy
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Statement of Trustees' Responsibilities
For the year ended 31 August 2017

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

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

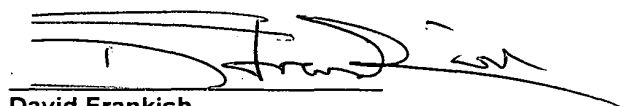
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 16 November 2017 and signed on its behalf by:



David Frankish
Chair of Trustees

Independent Auditors' Report on the Financial Statements to the Members of Redhill Academy

Opinion

We have audited the financial statements of Redhill Academy for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

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Independent Auditors' Report on the Financial Statements to the Members of Redhill Academy

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Redhill Academy
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Redhill Academy

Auditor's responsibilities for the audit of the financial statements

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

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



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby
16 November 2017

Redhill Academy
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Redhill Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Redhill Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Redhill Academy's funding agreement with the Secretary of State for Education dated 28 February 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Redhill Academy
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Redhill Academy and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

16 November 2017

Redhill Academy
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the year ended 31 August 2017

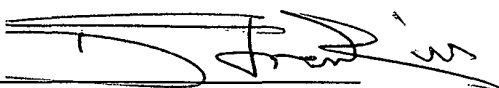
	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	3	20,619	1,140	6,430	28,189	49,971
Charitable activities:	4					
Funding for the Academy						
Trust's educational operations		-	816,187	-	816,187	822,425
Other trading activities	5	1,743	2,506	-	4,249	4,363
Investments	6	500	-	-	500	614
Total income		22,862	819,833	6,430	849,125	877,373
Expenditure on:						
Charitable activities:						
Academy Trust educational operations		16,799	889,747	33,817	940,363	902,197
Total expenditure	7	16,799	889,747	33,817	940,363	902,197
Net income / (expenditure) before transfers		6,063	(69,914)	(27,387)	(91,238)	(24,824)
Transfers between Funds	18	-	(11,915)	11,915	-	-
Net income / (expenditure) before other recognised gains and losses		6,063	(81,829)	(15,472)	(91,238)	(24,824)
Other recognised losses:						
Actuarial (losses) / gains on defined benefit pension schemes	22	-	43,000	-	43,000	(148,000)
Net movement in funds		6,063	(38,829)	(15,472)	(48,238)	(172,824)
Reconciliation of funds:						
Total funds brought forward		53,193	(431,495)	1,484,838	1,106,536	1,279,360
Total funds carried forward		59,256	(470,324)	1,469,366	1,058,298	1,106,536

Redhill Academy
(A company limited by guarantee)
Registered number: 07901900

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	13		1,469,366		1,484,838
Current assets					
Stocks	14	363		391	
Debtors	15	20,803		27,821	
Cash at bank and in hand		153,206		240,861	
		<u>174,372</u>		<u>269,073</u>	
Creditors: amounts falling due within one year	16	<u>(91,440)</u>		<u>(148,375)</u>	
Net current assets			<u>82,932</u>		<u>120,698</u>
Total assets less current liabilities			<u>1,552,298</u>		<u>1,605,536</u>
Defined benefit pension scheme liability	22		<u>(494,000)</u>		<u>(499,000)</u>
Net assets including pension scheme liabilities			<u><u>1,058,298</u></u>		<u><u>1,106,536</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	23,676		67,505	
Pension reserve	18	(494,000)		(499,000)	
Restricted fixed asset funds	18	<u>1,469,366</u>		<u>1,484,838</u>	
Total restricted income funds			<u>999,042</u>		<u>1,053,343</u>
Unrestricted income funds	18		<u>59,256</u>		<u>53,193</u>
Total funds			<u><u>1,058,298</u></u>		<u><u>1,106,536</u></u>

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue, on 16 November 2017 and are signed on their behalf, by:


David Frankish
Chair of Trustees

Redhill Academy
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(76,240)</u>	<u>14,650</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		500	614
Purchase of tangible fixed assets		(18,345)	(47,380)
Capital grants from DfE/ESFA		<u>6,430</u>	<u>30,794</u>
Net cash used in investing activities		<u>(11,415)</u>	<u>(15,972)</u>
Change in cash and cash equivalents in the year		(87,655)	(1,322)
Cash and cash equivalents brought forward		<u>240,861</u>	<u>242,183</u>
Cash and cash equivalents carried forward	21	<u><u>153,206</u></u>	<u><u>240,861</u></u>

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable 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. Accounting Policies (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	-	50 years
Improvements to property	-	10-20 years
Fixtures and fittings	-	4-10 years
Computer equipment	-	3 years

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.

1. Accounting Policies (continued)

1.6 Interest receivable

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Stocks

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time of the value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1. Accounting Policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Taxation

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

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. Accounting Policies (continued)

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

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

1.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2017.

Redhill Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

3. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	20,619	1,140	21,759	19,177
Capital Grants	-	6,430	6,430	30,794
	<u>20,619</u>	<u>7,570</u>	<u>28,189</u>	<u>49,971</u>
<i>Total 2016</i>	<u>16,477</u>	<u>33,494</u>	<u>49,971</u>	

4. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	743,463	743,463	753,558
Universal Infant Free School Meals	-	38,238	38,238	37,801
Pupil Premium	-	11,565	11,565	10,568
Rates Relief	-	3,044	3,044	2,845
Other DfE/EFA Grants	-	8,930	8,930	8,935
	<u>-</u>	<u>805,240</u>	<u>805,240</u>	<u>813,707</u>
Other government grants				
Local authority grants	-	10,947	10,947	8,718
	<u>-</u>	<u>10,947</u>	<u>10,947</u>	<u>8,718</u>
	<u>-</u>	<u>816,187</u>	<u>816,187</u>	<u>822,425</u>
<i>Total 2016</i>	<u>-</u>	<u>822,425</u>	<u>822,425</u>	

Redhill Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

5. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings Income	961	-	961	976
Catering Income	-	2,506	2,506	2,673
Other Income	782	-	782	714
	<u>1,743</u>	<u>2,506</u>	<u>4,249</u>	<u>4,363</u>
<i>Total 2016</i>	<u>1,690</u>	<u>2,673</u>	<u>4,363</u>	

6. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short Term Deposits	500	-	500	614
	<u>500</u>	<u>-</u>	<u>500</u>	<u>614</u>
<i>Total 2016</i>	<u>614</u>	<u>-</u>	<u>614</u>	

7. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	628,941	-	56,317	685,258	677,493
Allocated support costs	98,881	77,106	79,118	255,105	224,704
	<u>727,822</u>	<u>77,106</u>	<u>135,435</u>	<u>940,363</u>	<u>902,197</u>
<i>Total 2016</i>	<u>697,969</u>	<u>70,831</u>	<u>133,397</u>	<u>902,197</u>	

Redhill Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

8. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	685,258	255,105	940,363	902,197
<i>Total 2016</i>	677,493	224,704	902,197	

Analysis of support costs

	Educational Operations £	Total 2017 £	Total 2016 £
Staff costs	109,881	109,881	104,002
Depreciation	33,817	33,817	37,587
Technology costs	7,553	7,553	4,859
Consultancy fees	7,012	7,012	6,231
Travel and subsistence	2,040	2,040	1,989
Maintenance of premises	21,287	21,287	12,612
Maintenance of equipment	3,959	3,959	2,713
Cleaning	1,905	1,905	1,721
Rates	3,044	3,044	2,845
Water rates	2,871	2,871	2,917
Energy	10,303	10,303	10,436
Governance costs	6,000	6,000	6,000
Other occupancy cost	8,809	8,809	8,565
Universal infant free school meals	36,624	36,624	35,227
	255,105	255,105	237,704
<i>At 31 August 2016</i>	224,704	224,704	

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	33,817	37,587
Auditors' remuneration - audit	4,000	4,000
Auditors' remuneration - other services	1,400	1,300

Redhill Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

10. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	548,703	538,156
Social security costs	48,004	37,513
Operating costs of defined benefit pension schemes	130,787	120,453
	<u>727,494</u>	<u>696,122</u>
Supply teacher costs	328	1,847
	<u>727,822</u>	<u>697,969</u>

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

	2017 No.	2016 No.
Teachers	6	7
Administration and Support	22	21
Management	4	4
	<u>32</u>	<u>32</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	5	5
Administration and Support	10	10
Management	3	4
	<u>18</u>	<u>19</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £290,838 (2016 : £273,733).

Redhill Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

11. 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:

		2017 £	2016 £
Nicola Bargh, Head Teacher	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Ingrid Taylor, Staff Governor	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	0-5,000
Carolynn Parkin, Staff Governor	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Matthew Day, Staff Governor	Remuneration	0-5,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
Sarah Henty, Staff Governor	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
Dominic Waller	Remuneration	35,000-40,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year, Trustees received benefits in kind amounting to £137 (2016 - £200).

During the year ended 31 August 2017, expenses totalling £1,958 (2016 - £1,102) were reimbursed to 5 Trustees (2016 - 5).

12. Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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For the year ended 31 August 2017

13. Tangible fixed assets

	Freehold land and buildings £	Improve- ment to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	1,400,962	157,854	62,418	9,348	1,630,582
Additions	-	15,575	-	2,770	18,345
At 31 August 2017	1,400,962	173,429	62,418	12,118	1,648,927
Depreciation					
At 1 September 2016	70,681	18,887	47,500	8,676	145,744
Charge for the year	15,707	10,381	6,470	1,259	33,817
At 31 August 2017	86,388	29,268	53,970	9,935	179,561
Net book value					
At 31 August 2017	1,314,574	144,161	8,448	2,183	1,469,366
At 31 August 2016	1,330,281	138,967	14,918	672	1,484,838

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	363	391

15. Debtors

	2017 £	2016 £
Trade debtors	16	328
VAT recoverable	6,246	15,096
Other debtors	2,098	1,617
Prepayments and accrued income	12,443	10,780
	20,803	27,821

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16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	18,436	67,494
Other taxation and social security	12,304	11,765
Other creditors	11,691	13,170
Accruals and deferred income	49,009	55,946
	<u>91,440</u>	<u>148,375</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	25,468	25,251
Resources deferred during the year	28,984	25,468
Amounts released from previous years	(25,468)	(25,251)
	<u>28,984</u>	<u>25,468</u>
Deferred income at 31 August 2017	<u>28,984</u>	<u>25,468</u>

At the balance sheet date the Academy Trust was holding funds received in advance for local authority funding and ESFA funding for the autumn term 2017.

17. Financial instruments

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	153,206	240,861
Financial assets measured at amortised cost	5,333	3,785
	<u>158,539</u>	<u>244,646</u>
Financial liabilities measured at amortised cost	<u>38,461</u>	<u>97,972</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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For the year ended 31 August 2017

18. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Designated Funds - whiteboards	11,430	-	-	-	-	11,430
General funds						
Unrestricted funds	41,763	22,862	(16,799)	-	-	47,826
Total Unrestricted funds	53,193	22,862	(16,799)	-	-	59,256
Restricted funds						
General Annual Grant (GAG)	67,505	743,463	(776,517)	(11,915)	-	22,536
Other DfE/ESFA Grants	-	50,212	(50,212)	-	-	-
Other Government Grants	-	10,947	(10,947)	-	-	-
Other restricted income	-	3,646	(2,506)	-	-	1,140
Pupil Premium	-	11,565	(11,565)	-	-	-
Pension reserve	(499,000)	-	(38,000)	-	43,000	(494,000)
	(431,495)	819,833	(889,747)	(11,915)	43,000	(470,324)
Restricted fixed asset funds						
Gift from LA on conversion	1,333,833	-	(16,722)	-	-	1,317,111
DfE and ESFA capital grants	151,005	6,430	(17,095)	11,915	-	152,255
	1,484,838	6,430	(33,817)	11,915	-	1,469,366
Total restricted funds	1,053,343	826,263	(923,564)	-	43,000	999,042
Total of funds	1,106,536	849,125	(940,363)	-	43,000	1,058,298

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Designated funds						
Designated Funds - whiteboards	7,620	-	-	3,810	-	11,430
	<u>7,620</u>	<u>-</u>	<u>-</u>	<u>3,810</u>	<u>-</u>	<u>11,430</u>
General funds						
Unrestricted funds	59,299	18,781	(15,922)	(20,395)	-	41,763
	<u>59,299</u>	<u>18,781</u>	<u>(15,922)</u>	<u>(20,395)</u>	<u>-</u>	<u>41,763</u>
Total Unrestricted funds	<u>66,919</u>	<u>18,781</u>	<u>(15,922)</u>	<u>(16,585)</u>	<u>-</u>	<u>53,193</u>
Restricted funds						
General Annual Grant (GAG)	59,395	753,558	(745,448)	-	-	67,505
Other DfE/ESFA Grants	-	49,911	(49,911)	-	-	-
Other Government Grants	-	8,388	(8,388)	-	-	-
Other restricted income	-	5,373	(5,373)	-	-	-
Pupil Premium	-	10,568	(10,568)	-	-	-
Pension reserve	(322,000)	-	(29,000)	-	(148,000)	(499,000)
	<u>(262,605)</u>	<u>827,798</u>	<u>(848,688)</u>	<u>-</u>	<u>(148,000)</u>	<u>(431,495)</u>
Restricted fixed asset funds						
Gift from LA on conversion	1,334,479	-	(15,923)	15,277	-	1,333,833
DfE and ESFA capital grants	140,567	30,794	(21,664)	1,308	-	151,005
	<u>1,475,046</u>	<u>30,794</u>	<u>(37,587)</u>	<u>16,585</u>	<u>-</u>	<u>1,484,838</u>
Total restricted funds	<u>1,212,441</u>	<u>858,592</u>	<u>(886,275)</u>	<u>16,585</u>	<u>(148,000)</u>	<u>1,053,343</u>
Total of funds	<u>1,279,360</u>	<u>877,373</u>	<u>(902,197)</u>	<u>-</u>	<u>(148,000)</u>	<u>1,106,536</u>

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

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Notes to the Financial Statements
For the year ended 31 August 2017

18. Statement of funds (continued)

Designated Fund

To replace interactive whiteboards which have been identified as requiring replacement.

Restricted General Funds

This fund represents grants and other income received for the Academy Trust's operational activities and development.

Pension Reserve

The pension reserve included within restricted general funds represents the Academy Trust's share of the pension liability arising on the LGPS fund.

Restricted Fixed Asset Funds

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

19. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,469,366	1,469,366
Current assets	59,256	115,116	-	174,372
Creditors due within one year	-	(91,440)	-	(91,440)
Pension scheme liability	-	(494,000)	-	(494,000)
	<u>59,256</u>	<u>(470,324)</u>	<u>1,469,366</u>	<u>1,058,298</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	1,484,838	1,484,838
Current assets	54,943	214,130	-	269,073
Creditors due within one year	(1,750)	(146,625)	-	(148,375)
Pension scheme liability	-	(499,000)	-	(499,000)
	<u>53,193</u>	<u>(431,495)</u>	<u>1,484,838</u>	<u>1,106,536</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(91,238)	(24,824)
Adjustment for:		
Depreciation charges	33,817	37,587
Dividends, interest and rents from investments	(500)	(614)
Decrease in stocks	28	245
(Increase)/decrease in debtors	(1,831)	14,428
Decrease in creditors	(48,086)	(10,378)
Capital grants from DfE and other capital income	(6,430)	(30,794)
Defined benefit pension scheme cost less contributions payable	38,000	29,000
Net cash (used in)/provided by operating activities	(76,240)	14,650

21. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	153,206	240,861
Total	153,206	240,861

22. 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 Derbyshire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £11,498 were payable to the schemes at 31 August 2017 (2016 - £10,460) 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

22. Pension commitments (continued)

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £62,653 (2016 - £58,564).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £38,497 (2016 - £41,703), of which employer's contributions totalled £25,035 (2016 - £23,702) and employees' contributions totalled £8,212 (2016 - £9,001). The agreed contribution rates for future years are 14.7% for employers and 5.5 - 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	2.50 %	2.10 %
Rate of increase in salaries	2.90 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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22. 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:

	2017	2016
Retiring today		
Males	21.9	22.0
Females	24.4	24.2
Retiring in 20 years		
Males	23.9	24.1
Females	26.5	26.6

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	218,000	168,000
Corporate bonds	61,000	52,000
Property	23,000	15,000
Cash and other liquid assets	19,000	12,000
Total market value of assets	<u>321,000</u>	<u>247,000</u>

The actual return on scheme assets was £29,200 (2016 - £27,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(56,000)	(49,000)
Interest on pension liabilities	(16,000)	(20,000)
Expected return on assets	5,000	7,000
Total	<u>(67,000)</u>	<u>(62,000)</u>
Total amount recognised in the SOFA	<u>(34,000)</u>	<u>(37,000)</u>

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22. Pension commitments (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	746,000	497,000
Current service cost	56,000	49,000
Interest cost	16,000	20,000
Employee contributions	8,000	9,000
Benefits paid	(15,000)	(7,000)
Actuarial (gains) / losses	4,000	178,000
	<u>815,000</u>	<u>746,000</u>
Closing defined benefit obligation	<u>815,000</u>	<u>746,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	247,000	175,000
Interest income	5,000	7,000
Employer contributions	29,000	33,000
Employee contributions	8,000	9,000
Benefits paid	(15,000)	(7,000)
Actuarial gains / (losses)	47,000	30,000
	<u>321,000</u>	<u>247,000</u>
Closing fair value of scheme assets	<u>321,000</u>	<u>247,000</u>

23. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	747	747
Between 1 and 5 years	1,867	2,614
	<u>2,614</u>	<u>3,361</u>
Total	<u>2,614</u>	<u>3,361</u>

24. Members' liability

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

25. 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 the trust 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 related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.