

REDMOOR ACADEMY

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

REDMOOR ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members

Joanne Hudson
Chris Kealey (MBE)
John Shilladay

Trustees

Joanne Hudson
Chris Kealey (MBE) - Chair of Trustees
John Shilladay
John Duggins - Staff Trustee (Resigned 15 December 2019)
Matthew Nicolle - Principal and Accounting Officer
Tanya Hutchinson
Hugh Clayden
Samantha Allison (Resigned 10 July 2020)
Julie Walton
Matthew Hayward
Richard Chattaway
Angela Woodward - Staff Trustee
Dr Abdulla Sodiq (Appointed 8 July 2020)

Senior Leadership Team

Matthew Nicolle - Principal
Lisa Hickman - Vice Principal
Lynsey O'Keeffe - Assistant Vice Principal
Paul Kimber - Assistant Vice Principal
Kate Grocock - Assistant Vice Principal
Jane Sulley - Business Manager
Katy Nichols - Associate Assistant Vice Principal
Rebecca Wilson - Associate Assistant Vice Principal
Hannah Jenkins - Associate Assistant Vice Principal

Company Name

Redmoor Academy

Principal and Registered Office

Redmoor Academy
Wykin Road
Hinckley
Leicestershire
LE10 0EP

Company Registered Number

07992372 (England and Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Royal Bank of Scotland Plc
Leicester Market Street Branch
5 Market Street
Leicester
LE10 6DN

Solicitors

Browne Jacobson LLP
Castle Meadow Road
Nottingham
NG2 1BJ

REDMOOR ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Hinckley Leicestershire. It has a pupil capacity of 925 and had a roll of 916 in the school census on 1 October 2020.

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 Redmoor Academy are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Redmoor Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved 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 insurance covers up to the amount of £3,000,000. The cost of this insurance in the year was £765 (2019 - £761).

Method of Recruitment and Appointment or Election of Trustees

Recruitment of Trustees is outlined in the Memorandum of Articles. The Members may appoint up to 4 (four) Trustees. The Trustees may co-opt up to 4 (four) Trustees. The appointment of staff Trustees up to 3 (three) is via a process of a staff ballot. Appointment of Parent Trustees 5 (up to five) is made via parent ballot. The School's Principal is a Trustee by right.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustee training is through a menu of extensive specialised training available via the Leicestershire County Council's 'Governor Development Services' which the Trust buy into on an annual basis. They include training courses tailored specifically for new Trustees. The Academy has also produced a comprehensive 'Trustees' Induction Handbook'. In order to understand their roles meetings with the Chair of Trustees and the Principal are a requirement for all new Trustees, and if required, meetings are on offer to meet the Business Manager. New Trustees also benefit from an internal "buddy" procedure.

Organisational Structure

The Trust has at present 3 Members who are responsible for the overall running of the Trust. They also have the strategic role monitoring the current and future direction of the Academy. They are in turn responsible to the Full Board of Trustees. They have a responsibility to produce an Annual Report to the Auditor and to recommend to the Full Board of Trustees the allocation of the annual budget received from the Education and Skills Funding Agency. The Trustees' role is to robustly hold senior leaders to account for all aspects of the school's performance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The Principal and the Senior Leadership Team are responsible for providing effective leadership and efficient and effective management of the school. To work within budget having regard to the Academy Development Plan.

The Trust's Accounting Officer is Mr. Matthew Nicolle – Principal

The structure is made up of:

1. Three Trust Members who are also members of the Full Board of Trustees;
2. The Full Board of Trustees; and
3. A committee structure consisting of:

- **Finance and General Purposes Committee**

Remit includes Finance, Personnel, Risk Management, Internal Scrutiny and Health & Safety. Membership is comprised of self-selecting Trustees. The committee meets four times per year or, more frequently as required and report to appropriate committee and/or Full Board of Trustees.

- **School Standard Committees**

Remit includes progress of students (including Pupil Premium and SEND), behaviour & safety, safeguarding, curriculum provision and teaching and learning. Membership comprised of self-selecting Trustees. The committee meets four times per year or, more frequently as required and report to appropriate committee and/or Full Board of Trustees.

- **Other standing Committees**

Staff Dismissal, Staff Dismissal Appeals, Exclusions, Exclusion Appeals, Complaints, Senior Staff Appointment Membership comprised of Trustees but not Staff Trustees and Trustees previously involved with the individual case, they will meet as required.

Other identified Roles for Trustees

SEND Trustee;
Governor Training Trustee;
Safeguarding Trustee;
Careers Trustee; and
Pupil Premium Trustee.

Where applicable all the committees are subject to annually agreed 'Terms of Reference' or relevant policy/procedure documents.

Arrangements for setting pay and remuneration of Key Management Personnel

All staff have performance management meetings with their line manager. The reports are then considered by the Principal and Vice Principal and recommendations are presented to the Pay and Conditions Committee. Once the recommendations have been agreed they are then presented to the Full Board of Trustees to be ratified.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Pay and Conditions Committee

Membership comprised of three Trustees selected by Trust Members plus the Principal. Meetings are held when recommendations from the Principal regarding pay needs to be considered and recommendations made by this committee needs to be ratified by all Trustees. Pay recommendations follow a robust and successful performance management process. Senior Leadership Team members (Key Management Personnel) are performance managed by the Principal and recommendations are based on this. The Principal is not involved in any decision-making process in respect of his own pay.

Trade union facility time

Three employees have been relevant union officials during the year 1 September 2019 to 31 August 2020. No time has been spent on facility time and therefore there were no cost implications to the Academy Trust.

Related Parties and other Connected Charities and Organisations

The Academy is a single school Academy Trust. The Academy continues to work closely with the local family of schools including Primary and Secondary schools. The school is a strategic partner of the Thomas Estley Teaching School Alliance (TELA) and delivers National Professional Qualifications. The school benefits from the support of an NLE whose focus is SEND provision. This is on hold currently as support was interrupted by the impact of Covid-19.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

Redmoor Academy promotes high achievement and learning for life. We want all students in the Academy to:

- Make excellent academic progress and achieve the best possible outcomes enabling them to have control over Post 16 destinations and beyond;
- benefit from outstanding experiences and opportunities outside the classroom, building confidence, resilience, independence and leadership skills; and
- become “good people” who can play a positive role within the community.

Objectives, Strategies and Activities

Our overarching priority for improvement in 2019/20 remains to raise the achievement of all students and ensure GCSE outcomes continue to improve, specifically for:

- Most able students;
- SEND students;
- Disadvantaged students; and
- Underachieving boys.

To drive the achievement of this priority, we will focus on the following objectives:

1. To Improve the quality and consistency of teaching and learning with a specific focus on:
 - a) Increased challenge for all abilities (including more extended writing opportunities);
 - b) Developing a coaching culture;
 - c) Ensuring CPD is more personalised and targeted to individual needs;
 - d) Ensuring our QA processes are rigorous and accurate; and
 - e) Developing effective feedback strategies.
2. Implementing a new KS3 curriculum, assessment and reporting model;

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FOR THE YEAR ENDED 31 AUGUST 2020

3. To develop further consistency in applying reformed behaviour standards to reduce instances of low-level disruptive behaviour and reduce fixed term exclusions;
4. To develop leadership at all levels, ensuring all leaders have greater accountability and impact on student progress;
5. To develop a culture of raised aspirations for students and their families; and
6. To improve parental engagement with our school.

Successful achievement of these objectives is measured, amongst other things, by GCSE outcomes. In August 2020 students were awarded grades based on teacher assessments due to the impact of Covid-19. Although these results are not published and there is no comparative performance data available nationally, we were on track to post record GCSE results and unofficially, our Progress 8 score from our data collaboration tool was +0.34. This is increase from +0.01 in 2018 and +0.03 in 2019 with specific areas of significant improvement including Low Prior Attaining students (Progress 8 increase of 1.27 over two years) and disadvantaged students (increase in Progress 8 of 1.07). Other outcome measures alongside less quantitative measures, support results in indicating the effectiveness of the strategic improvements led in this year.

Public Benefit

In setting our objectives and planning out activities, the Trustees have considered the Charity Commission's general guidance on public benefit and in particular to the supplementary public benefit guidance on advancing education.

STRATEGIC REPORT

Achievements and Performance

The Academy Trust is responsible for the achievements and performance of Redmoor Academy. With the Senior Leadership Team, the Trustees determine the strategic vision and ethos of the school. They hold the school to account – challenging and monitoring performance particularly the achievement of students, the quality of teaching, behaviour and safety, quality of leadership and management and ensuring financial probity and acting as a responsible employer.

Redmoor is an 11-16 Academy serving a very diverse catchment area. The Academy experienced a significant period of change at the end of the 2017 academic year, with the retirement of 50% (2 members) of the Senior Leadership Team and the resignation of a third. The Trust acted decisively to engage the services of the Acting Principal on a permanent basis after significant impact was evident in the first year.

Since Sept. 2017, the new Principal and leadership team have driven significant and sustained improvement in student outcomes. Results for the academic year 2018-19 sustained the significantly improved Progress 8, moving from -0.78 in 2017 to +0.01 in 2018 and +0.03 in 2019. Although GCSE exams were suspended in 2020 due to Covid19 restrictions, the school was on course to post record results and a national data collaboration shows progress 8 as +0.34 for 2020. Attendance of students is slightly above national averages and exclusion rates remain significantly below national averages.

Key Performance Indicators

For the period of this report, the Ofsted outcome for Redmoor Academy has continued to be Requires Improvement following a Section 5 inspection in November 2017. This was based on the GCSE outcomes from the previous academic year and recognised the changes already in place at this point and the capacity of the then Acting Principal and the Leadership Team to drive rapid improvements. Whilst the judgement in Nov. 2017 was a fair and accurate reflection of the position of the school at this time, the view that there was capacity to improve was justified and evidenced by GCSE outcomes for 2018, 2019 and 2020 (see above). Results demonstrate that Redmoor is performing slightly above other "good" schools nationally.

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Attendance of students is slightly above national averages and exclusion rates remain significantly below national averages.

Student recruitment remains very positive with Redmoor massively oversubscribed again for the academic year 2019-20 and early figures suggest this will be the same for 2020-21.

Further site development took place in 2019-20, continuing with refurbishing student washroom facilities and replacing windows and doors throughout the site. This has been funded by CIF funding (windows and doors) with a partial funding from the school's reserves.

Financial reports and budget updates and projections presented to the Finance and General Purpose Committee have shown that the Academy has continued to stay within its budget and a carry forward figure was achieved.

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 Statement of Accounting Policies.

It is worth noting the impact of Covid-19 on the running of the Academy with regards to the purchase of PPE, extra cleaning materials and additional cleaning staff and the need for extra supply staff due to illness of self-isolation of frontline teachers. Whilst it has not significantly impacted on the Academy's financial sustainability currently, we have concerns surrounding the extra costs incurred if our staffing levels continue to be affected in the coming months.

FINANCIAL REVIEW

At 31 August 2020 the total funds comprised:

	£000
Unrestricted	142
Restricted:	
Fixed asset funds	7,369
Pension reserve	(2,446)
Other	368
	<u>5,433</u>

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. 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.

During the year there was a deficit of £182,000 which is before any actuarial gains/(loses) on the pension scheme.

The restricted fund 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 less than one month's worth of Academy expenditure. The aim of the Trustees is to increase this reserve to protect against future unforeseen events.

Our funding is sourced from the ESFA and as such is spent to achieve our one main objective: to provide an excellent education for our students.

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Reserves Policy

The policy of the Academy is to carry forward where possible a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other foreseen circumstances, subject to the constraint that the level of resources does not exceed the level permitted by the Education and Skills Funding Agency. The Academy believes that it should aim to establish a prudent level of free reserves of around 5% of its normal annual income.

Investment Policy

To mitigate against the underfunding year on year due to increased numbers Trustees have adopted a policy that the Academy would not consider Investments at this stage but retain a contingency to take us through uncharted waters.

Principal Risks and Uncertainties

The principal risks facing the Academy are addressed in the Business Continuity Plan and include:

- Strategic and Reputational risks;
- Operational risks;
- Compliance risks; and
- Financial risks.

Control measures are in place to manage and identify risks, the key risks being that of reduced pupil numbers, that would affect the level of ESFA funding and potential future Government cuts. Active promotion of the Academy is robustly maintained and through regular reports to the Finance and General Purpose Committee the budget is monitored carefully over a 3-year projected period to manage any reduction in funding.

The principal risks facing the Academy are:

- Reputational risk – The principal reputational risks are adverse publicity about the Academy caused by a failure of members of the school to follow established policy, procedures or practice. The risk is mitigated through a robust adherence to and monitoring of the Academy's policies, procedures and practices. In addition, the Academy proactively nurtures good relationships with all stakeholders, including parents and the local community.
- Performance risk – The principal performance risks are that the students do not meet or achieve expected progress targets in public examinations (GCSEs) or that the school doesn't achieve a "Good" grading or better by OFSTED. These circumstances impacted upon the school in the academic year 2017-18. Swift action by the Trust to recruit experienced Senior Leaders mitigated against the negative impact this could have had and the school successfully navigated itself through this risk (see GCSE results 2018 - 2020). Further monitoring and support, in addition to Ofsted in November 2017, was through an Education Advisor inspector from the Regional Schools Commissioner and the Leicestershire RSC advisor, who both recognised the improvements in place and the capacity of the leadership team to drive these through. The risk of this happening again to such an extent is mitigated through the robust monitoring of student performance, tracking of student achievement and staff performance, through Performance Management, the production of an accurate and up-to-date SEF and Improvement Plans. Identified actual or potential underperformance will result in swift and appropriate action planning to correct the situation. An updated Ofsted judgement was expected during the 2019-20 academic year but all inspections were suspended in March 2020 due to Covid-19.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central Government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The financial risks are mitigated by establishing high demand for places at the Academy, sound financial planning based on accurate information from central Government. Increasing income streams by trading expertise locally and nationally and a planned and costed programme of building refurbishment. Insurance against loss options are considered and adopted as appropriate.

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- Risks associated with personnel - The risks associated with personnel are long term absences, the failure to recruit or retain staff and staff unable to undertake responsibilities to the required standard. The personnel risks are mitigated by strict adherence to all HR policies, practice and procedures, a focus on succession planning, high quality induction programmes and high-quality appraisal processes and CPD.

The Academy Trust practices through its Board, namely the Board of Trustees and the constituted sub-committees, 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 Board of Trustees 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 Board of Trustees collectively, whilst more minor risks are dealt with by Senior Leaders.

FUNDRAISING

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Redmoor Academy conducted fundraising for the following charities:

Macmillan Coffee Morning - £257

Children in Need – £737

Save the Children - £763

Sports Relief - £948.

PLANS FOR FUTURE PERIODS

The Academy has undergone a major age range change and subsequent size increase. As a result, further site improvements and developments will be required and will be strategically planned by both the Principal and the Trustees. Whilst there are no immediate plans to expand any further, the Principal is aware of housing developments in the local area and will work with the local authority to ensure the Academy Trust can meet the needs of the community it serves. The Academy is currently significantly and consistently oversubscribed with double the number of applicants than places. However, further expansion would require significant capital investment to increase general teaching spaces, specialist teaching areas (specifically PE, Music, Science) and social spaces.

Maintaining the current student numbers is critical but is currently perceived as low risk and therefore continued improvement in student provision and outcomes remains the focus.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy is currently holding funds on behalf of Hinckley and Bosworth Education Partnership. The balance of these funds at the year-end is £240,811. The balance is made up of funding from the Local Authority, income from other schools, Special Needs Funding, Social Care and other Grants. The funds are held for the purposes of providing educational services for students who cannot attend school due to risk of exclusion.

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AUDITOR

Insofar as the Trustees are aware:

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

The reappointment of auditors will be considered at the first Finance and General Purposes Committee of the spring term 2021.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors and signed on the board's behalf by:

.....
Chris Kealey (MBE)
Chair of Trustees

Date: 17 December 2020

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Redmoor 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Redmoor 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 12 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
Chris Kealey (MBE) - Chair of Trustees	9	12
Joanne Hudson	10	12
John Shilladay	12	12
Matthew Nicolle - Principal and Accounting Officer	12	12
Tanya Hutchinson	4	12
John Duggins (Resigned 15 December 2019)	7	7
Hugh Clayden	7	12
Richard Chattaway	12	12
Matthew Hayward	12	12
Samantha Allison (Resigned 10 July 2020)	9	12
Julie Walton	11	12
Angela Woodward	12	12
Dr Abdulla Sodiq (Appointed 8 July 2020)	1	1

There have been 2 resignations from the Trustees, one mid-year (John Duggins) and one at the end of the academic year 2019/20 (Samantha Allison).

There has been one addition to the Trustees, appointed 8 July 2020 (Dr Abdulla Sodiq). There are currently two vacancies within the Trust, one for a Parent Trustee and one for a Staff Trustee.

The Trustees determine the strategic vision and ethos of the school. They hold the school to account – challenging and monitoring performance particularly the achievement of students, the quality of teaching, behaviour and safety, quality of leadership and management and ensuring financial probity and acting as a responsible employer. After an especially challenging 2017-18, coping with significant changes to the composition of the Trustees, changes to the leadership of the school and improving on significant underperformance of the previous academic year, it has been important that the Trustees not only stabilised but also built on the impact of 2017-18. This is evident in how self-evaluation led to a desire to expand the breadth of experience within the Trustee team and subsequent new appointments.

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In this respect, both the Trustees and the Senior Leadership Team have stabilised and together, have overseen the sustained improvement in the performance of the school. School leaders continue to be held to account for their decision making and actions which ensures sustained improvement and a drive to develop future and sustained improvement.

Data used by the Board includes;

- student progress data;
- other student data (attendance, behaviour and exclusions etc.); and
- financial information.

The Principal has ensured that the quality of data provided to the Board is consistent in its format, accurate and relevant, allowing the board to be fully informed and hold leaders to account.

The Trustees use Governor Development services to ensure that all training requirements for Trustees is met. Each Trustee has a Trustee Training Record. Each term our Trustee Training Trustee shares relevant information, this highlights current issues and offers the relevant training. The Trustees are also members of the Leicestershire Academies Group and The National Governors Association.

External evaluation in 2017-18 was carried out as part of the Ofsted inspection in November 2017 and the subsequent monitoring visit by an education advisor of the Regional Schools Commissioner (February 2018). Both reports recognised the improvements made to ensure Trustees acted with more rigour to ensure they have a better understanding of their responsibilities and as such, knowledge of the strengths of the school and the areas for development. Minutes of meetings demonstrate the rigour and challenge with which Trustees hold leaders to account. The impact of improved governance is evidenced by improved GCSE outcomes in 2018 and 2019. GCSE's for 2020 were cancelled due to the Covid-19 pandemic. At least once a year, the Board engage in a self-evaluation exercise to recognise strength and areas for development.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees (meeting six times per academic year) and its purpose is to review and challenge decisions made with regard to; Finance, Internal Scrutiny, Personnel, Risk Management and Health & Safety.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Chris Kealey (MBE) - Chair of Trustees	5	6
Joanne Hudson	5	6
John Shilladay	6	6
Matthew Nicolle - Principal and Accounting Officer	6	6
Tanya Hutchinson	4	6
John Duggins (Resigned 15 December 2019)	3	3
Hugh Clayden	4	6
Richard Chattaway	6	6
Matthew Hayward	6	6
Samantha Allison (resigned 10 th July 2020)	4	6
Julie Walton	6	6
Angela Woodward	6	6

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the 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:

- Development of the Key Stage 3 curriculum structure to provide a more appropriate and challenging educational provision also enabled a more efficient staffing structure for 2019-20, whilst still delivering a broad and balanced curriculum to meet the needs of all students;
- Staffing capacity in key areas (Maths, English, Science, MFL, Geography, History) has been created to increase provision and future proof expected growth in developing a more academic curriculum offer (Ebacc);
- use of CIF funding to replace worn out doors and windows;
- using surplus staffing to provide cover for unexpected staff absence and therefore significantly reducing supply costs; and
- using the in-house premises team to refurbish toilet blocks, build outside covered seating area and other general repairs subsequently reduce costs significantly.

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 Redmoor Academy for the year 1 September 2019 to 31 August 2020 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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

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- 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;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council (LCC) as internal auditors.

The internal 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 control account/ bank reconciliations;
- checking of relevant policies;
- testing of HR systems;
- testing of register of business and pecuniary interest; and
- testing of risk management procedures.

On an annual basis, the Auditor Reports to the Board of Trustees, through the Finance and General Purposes 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 General Purposes 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 and signed on its behalf by:

.....
Chris Kealey (MBE)
Chair of Trustees

Date: 17 December 2020

.....
Matthew Nicolle
Accounting Officer

Date: 17 December 2020

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(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIOETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of Redmoor 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 terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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.

.....
Matthew Nicolle
Accounting Officer

Date: 17 December 2020

REDMOOR ACADEMY

(A Company Limited by Guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who are also the Governors of Redmoor 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 Academies Accounts Direction published 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 DfE/ESFA 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 and signed on its behalf by:

.....
Chris Kealey (MBE)
Chair of Trustees

Date: 17 December 2020

.....
Matthew Nicolle
Accounting Officer

Date: 17 December 2020

REDMOOR ACADEMY
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Redmoor Academy (the 'Academy Trust') for the year ended 31 August 2020 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

REDMOOR ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
REDMOOR ACADEMY (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 incorporating the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

REDMOOR ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
REDMOOR ACADEMY (CONTINUED)**

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 24 December 2020

REDMOOR ACADEMY

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Redmoor Academy during the year 1 September 2019 to 31 August 2020 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 Redmoor Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Redmoor Academy and 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 Redmoor Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Redmoor Academy's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Redmoor Academy's funding agreement with the Secretary of State for Education dated 30 May 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by 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.

REDMOOR ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REDMOOR
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw our conclusions includes:

- 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 of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 24 December 2020

REDMOOR ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	2	141	143	261
Funding for the Academy Trust's educational operations	4	-	5,108	19	5,127	4,840
Other trading activities	5	134	-	-	134	185
Investments	6	2	-	-	2	2
Total income		136	5,110	160	5,406	5,288
Expenditure on:						
Raising funds	7	177	-	-	177	157
Academy Trust's educational operations	8	-	5,246	165	5,411	5,069
Total expenditure	9	177	5,246	165	5,588	5,226
Net (expenditure)/income		(41)	(136)	(5)	(182)	62
Transfers between funds	19	-	17	(17)	-	-
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	27	-	(247)	-	(247)	(662)
Net movement in funds		(41)	(366)	(22)	(429)	(600)
Reconciliation of funds:						
Total funds brought forward		183	(1,712)	7,391	5,862	6,462
Net movement in funds		(41)	(366)	(22)	(429)	(600)
Total funds carried forward		142	(2,078)	7,369	5,433	5,862

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

The notes on pages 26 to 56 form part of these financial statements.

REDMOOR ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07992372

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	15	7,267	7,336
		<u>7,267</u>	<u>7,336</u>
Current assets			
Debtors	16	190	132
Cash at bank and in hand	23	918	607
		<u>1,108</u>	<u>739</u>
Liabilities			
Creditors: amounts falling due within one year	17	(496)	(290)
		<u>612</u>	<u>449</u>
Net current assets			
		<u>7,879</u>	<u>7,785</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	-	(2)
		<u>7,879</u>	<u>7,783</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(2,446)	(1,921)
		<u>5,433</u>	<u>5,862</u>
Total net assets		<u><u>5,433</u></u>	<u><u>5,862</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	19	7,369	7,391
Restricted income funds	19	368	209
		<u>7,737</u>	<u>7,600</u>
Restricted funds excluding pension asset	19	7,737	7,600
Pension reserve	19	(2,446)	(1,921)
		<u>5,291</u>	<u>5,679</u>
Total restricted funds	19	5,291	5,679
Unrestricted income funds	19	142	183
		<u>5,433</u>	<u>5,862</u>
Total funds		<u><u>5,433</u></u>	<u><u>5,862</u></u>

REDMOOR ACADEMY
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 22 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Chris Kealey (MBE)
Chair of Trustees

Date: 17 December 2020

.....
Matthew Nicolle
Accounting Officer

Date: 17 December 2020

The notes on pages 26 to 56 form part of these financial statements.

REDMOOR ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	247	(211)
Cash flows from investing activities	23	66	8
Cash flows from financing activities	22	(2)	(5)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		311	(208)
Cash and cash equivalents at the beginning of the year		607	815
Cash and cash equivalents at the end of the year	24	918	607
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 56 form part of these financial statements

REDMOOR ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Redmoor Academy meets the definition of a public benefit entity under FRS 102.

Redmoor Academy is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1 and 2. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1,000.

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.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

1.3 Income

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

• **Grants**

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

REDMOOR ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

REDMOOR ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

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

Long leasehold land	- 125 years over the term of the lease
Long leasehold property	- 2% Straight-line
Long leasehold property improvements	- 2% Straight-line
Plant and machinery	- 20% Straight-line
Computer equipment	- 25% Straight-line
Furniture and fittings	- 10% Straight-line

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

1.6 Operating leases

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

1.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

REDMOOR ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Liabilities

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

1.9 Provisions

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

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

1.10 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.

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 27, TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

REDMOOR ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 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 bases 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 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of the tangible fixed assets, and note 1.5 for the useful economic lives for each class of assets.

REDMOOR ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgement (continued)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2020. 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 judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those covering the choice of depreciation policies and asset lives.

3. Donations and capital grants

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Voluntary income	2	-	2
Capital grants	-	141	141
Total 2020	2	141	143
	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Voluntary income	4	-	4
Capital grants	-	257	257
Total 2019	4	257	261

REDMOOR ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	4,363	4,363
Pupil Premium	166	166
Capital grants	19	19
Other DfE/ESFA grants	284	284
	4,832	4,832
Other Government grants		
Local Authority grants	141	141
	141	141
Other funding		
School trips and parental contributions	95	95
Other income	56	56
	151	151
Exceptional Government funding		
Coronavirus exceptional support	3	3
	3	3
Total 2020	5,127	5,127

The Academy Trust has been eligible to claim additional funding in the year from Government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "exceptional Government funding".

The funding received for coronavirus exceptional support covers £2,698 of FSM costs. These costs are included in note 7 below as appropriate.

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational operations (continued)

	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants		
General Annual Grant (GAG)	4,232	4,232
Pupil Premium	160	160
Capital grants	66	66
Other DfE/ESFA grants	73	73
	4,531	4,531
Other Government grants		
Local Authority income	125	125
	125	125
Other funding		
School trips and parental contributions	150	150
Contributions to clubs and educational activities	34	34
	184	184
Total 2019	4,840	4,840

5. Other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Minibus income	18	18
Hire of facilities	1	1
Catering income	115	115
Total 2020	134	134

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Other trading activities (continued)

	Unrestricted funds 2019 £000	Total funds 2019 £000
Minibus income	6	6
Solar panel income	4	4
Hire of facilities	5	5
Catering income	157	157
iPad income	4	4
Other income	9	9
	<hr/>	<hr/>
Total 2019	185	185
	<hr/> <hr/>	<hr/> <hr/>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	2	2
	<hr/>	<hr/>

	Unrestricted funds 2019 £000	Total funds 2019 £000
Investment income	2	2
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure on raising funds

	Unrestricted funds 2020 £000	Total funds 2020 £000
Catering costs	78	78
Catering wages and salaries	82	82
Catering national insurance	3	3
Catering pension cost	14	14
Total 2020	177	177
	Unrestricted funds 2019 £000	Total funds 2019 £000
Catering costs	59	59
Catering wages and salaries	82	82
Catering national insurance	2	2
Catering pension costs	14	14
Total 2019	157	157

8. Analysis of expenditure by activities

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	3,857	1,554	5,411

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational operations	3,474	1,595	5,069

Analysis of direct costs

	Total funds 2020 £000	Total funds 2019 £000
Educational supplies	31	36
Examination fees	58	67
Other direct costs	157	149
Staff costs	3,446	3,054
Depreciation	165	168
Total 2020	3,857	3,474

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	Total funds 2019 £000
Pension finance cost (note 14)	39	32
Travel and subsistence	1	-
Maintenance of premises	178	181
Cleaning	10	9
Rent and rates	33	2
Energy costs	59	57
Insurance	36	34
Catering	-	32
Legal and professional	99	156
Other support costs	139	179
Governance costs	16	12
Staff costs	944	901
Total 2020	1,554	1,595

9. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on raising funds:				
Direct costs	99	-	78	177
Academy Trust's educational operations:				
Direct costs	3,446	147	264	3,857
Allocated support costs	983	280	291	1,554
Total 2020	4,528	427	633	5,588

REDMOOR ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Expenditure (continued)

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Expenditure on raising funds:				
Direct costs	98	-	59	157
Academy Trust's educational operations:				
Direct costs	3,054	143	277	3,474
Allocated support costs	933	202	460	1,595
Total 2019	<u>4,085</u>	<u>345</u>	<u>796</u>	<u>5,226</u>

10. Net income/(expenditure)

This is stated after charging:

	2020 £000	2019 £000
Operating lease rentals	134	139
Depreciation of tangible fixed assets	165	168
Internal audit costs	2	1
Loss on disposal of fixed assets	-	3
Fees paid to auditor for:		
- audit	13	11
- other services	3	3
	<u>317</u>	<u>324</u>

REDMOOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£000	£000
Wages and salaries	3,223	3,053
Social security costs	296	279
Pension costs	970	719
	<hr/> 4,489	<hr/> 4,051
Agency staff costs	-	2
Pension finance costs (note 14)	39	32
	<hr/> 4,528 <hr/>	<hr/> 4,085 <hr/>

b. Staff numbers

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

	2020	2019
	No.	No.
Teaching	50	50
Administration and support	73	68
Management	9	6
	<hr/> 132 <hr/>	<hr/> 124 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u> </u>	<u> </u>

The above employee contributed to the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for this member of staff amounted to £21,874 (2019: £14,458).

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Leadership 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 £613,576 (2019: £528,976).

12. 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 staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
Matthew Nicolle, Principal and Accounting Officer	Remuneration	90 - 95	85 - 90
	Pension contributions paid	20 - 25	10 - 15
Mary Stanhope, (Resigned 12 November 2018)	Remuneration	-	5 - 10
	Pension contributions paid	-	0 - 5
John Duggins, (Resigned 15 December 2019)	Remuneration	40 - 45	40 - 45
	Pension contributions paid	5 - 10	5 - 10
Angela Woodward, Staff Trustee	Remuneration	20 - 25	5 - 10
	Pension contributions paid	5 - 10	0 - 5

During the year ended 31 August 2020, mileage expenses totalling £243 were reimbursed or paid directly to 1 Trustee (2019: No Trustees were reimbursed or paid directly for expenses).

Other related party transactions involving the Trustees are set out in note 29.

REDMOOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £765 (2019: £761). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

	2020	2019
	£000	£000
Expected return on pension scheme assets	53	66
Interest on pension scheme liabilities	(92)	(98)
	<u>(39)</u>	<u>(32)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long leasehold land and property £000	Long-term leasehold property improvements £000	Furniture and fittings £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation						
At 1 September 2019	6,632	1,579	83	23	118	8,435
Additions	-	80	11	3	2	96
Disposals	-	-	-	-	(7)	(7)
At 31 August 2020	<u>6,632</u>	<u>1,659</u>	<u>94</u>	<u>26</u>	<u>113</u>	<u>8,524</u>
Depreciation						
At 1 September 2019	860	86	28	23	102	1,099
Charge for the year	115	32	9	1	8	165
On disposals	-	-	-	-	(7)	(7)
At 31 August 2020	<u>975</u>	<u>118</u>	<u>37</u>	<u>24</u>	<u>103</u>	<u>1,257</u>
Net book value						
At 31 August 2020	<u><u>5,657</u></u>	<u><u>1,541</u></u>	<u><u>57</u></u>	<u><u>2</u></u>	<u><u>10</u></u>	<u><u>7,267</u></u>
At 31 August 2019	<u><u>5,772</u></u>	<u><u>1,493</u></u>	<u><u>55</u></u>	<u><u>-</u></u>	<u><u>16</u></u>	<u><u>7,336</u></u>

Included in long leasehold property is long leasehold land valued at £1,402,000 (2019: £1,402,000) on conversion in 2012 by Andrea Hopkins MRICS, using the depreciated replacement cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2012.

REDMOOR ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Debtors

	2020	2019
	£000	£000
Trade debtors	10	1
VAT repayable	21	28
Prepayments and accrued income	159	103
	190	132
	190	132

17. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other loans	5	5
Trade creditors	58	-
Other taxation and social security	76	68
Other creditors	323	70
Accruals and deferred income	34	147
	496	290
	496	290

	2020	2019
	£000	£000
Deferred income		
Deferred income at 1 September 2019	9	10
Resources deferred during the year	10	9
Amounts released from previous periods	(9)	(10)
	10	9
Deferred income at 31 August 2020	10	9

At the balance sheet date the Academy Trust was holding funds received in advance for SEN funds for the 2020/21 academic year.

Included within other loans are three loans totalling £5,627 (2019: £5,627) from Salix Finance. The loans are interest free and repayable in instalments between 5 - 7 years. The loans were pre-approved by the Secretary of State, and provided from The Education and Skills Funding Agency through the Conditional Improvement Fund for various lighting and insulation projects.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Other loans	-	2
	<u> </u>	<u> </u>

Included within other loans is one loan totalling £Nil (2019: £1,601) from Salix Finance. The loan is interest free and repayable in instalments in 7 years. The loans were pre-approved by the Secretary of State, and provided from The Education and Skills Funding Agency through the Conditional Improvement Fund for various lighting projects.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	183	136	(177)	-	-	142
Restricted general funds						
General Annual Grant (GAG)	209	4,363	(4,221)	(6)	-	345
Pupil Premium	-	166	(143)	-	-	23
Capital Improvement Funding	-	-	(3)	3	-	-
Devolved Formula Capital	-	-	(20)	20	-	-
Other DfE/ESFA grants	-	284	(284)	-	-	-
Other Government grants	-	141	(141)	-	-	-
Exceptional Government funding	-	3	(3)	-	-	-
Other income	-	153	(153)	-	-	-
Pension reserve	(1,921)	-	(278)	-	(247)	(2,446)
	<u>(1,712)</u>	<u>5,110</u>	<u>(5,246)</u>	<u>17</u>	<u>(247)</u>	<u>(2,078)</u>
Restricted fixed asset funds						
Net book value of fixed assets	7,336	-	(165)	96	-	7,267
Devolved Formula Capital	62	19	-	(62)	-	19
Capital Improvement Funding	-	141	-	(53)	-	88
Salix loans	(7)	-	-	2	-	(5)
	<u>7,391</u>	<u>160</u>	<u>(165)</u>	<u>(17)</u>	<u>-</u>	<u>7,369</u>
Total Restricted funds	<u>5,679</u>	<u>5,270</u>	<u>(5,411)</u>	<u>-</u>	<u>(247)</u>	<u>5,291</u>
Total funds	<u><u>5,862</u></u>	<u><u>5,406</u></u>	<u><u>(5,588)</u></u>	<u><u>-</u></u>	<u><u>(247)</u></u>	<u><u>5,433</u></u>

REDMOOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

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 2020.

Transfers of £4,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards plant and machinery and computer equipment.

Pupil premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Other Government grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset funds

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from the Local Authority following transfer of assets. It included further amounts invested in long leasehold land and property, furniture and fixtures, plant and machinery and computer equipment. Also included in the funds is depreciation charged on fixed assets held.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for. Transfers of £23,000 from restricted fixed asset funds to the restricted funds represents capital grants spent on revenue expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Salix loans

This fund includes loans from the ESFA which were taken out to fund various lighting and insulation project. The fund is in deficit and the balance is being paid off through the GAG over the terms of the loans.

Transfers of £2,000 to restricted funds from restricted fixed asset funds represents allocations of GAG towards the repayment of the loan.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General funds	153	187	(157)	-	-	183
Restricted funds						
General Annual Grant (GAG)	190	4,232	(4,155)	(58)	-	209
Pupil Premium	-	160	(160)	-	-	-
Other DfE/ESFA grants	-	73	(73)	-	-	-
Other Government grants	-	125	(125)	-	-	-
Capital grants	2	-	(2)	-	-	-
Other income	-	188	(188)	-	-	-
Pension reserve	(1,061)	-	(198)	-	(662)	(1,921)
	(869)	4,778	(4,901)	(58)	(662)	(1,712)
Restricted fixed asset funds						
Net book value of fixed assets	7,190	-	(168)	314	-	7,336
Devolved Formula Capital	-	66	-	(4)	-	62
Capital Improvement Funding	-	257	-	(257)	-	-
Salix loans	(12)	-	-	5	-	(7)
	7,178	323	(168)	58	-	7,391
Total Restricted funds	6,309	5,101	(5,069)	-	(662)	5,679
Total funds	6,462	5,288	(5,226)	-	(662)	5,862

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	7,267	7,267
Current assets	142	859	107	1,108
Current liabilities	-	(491)	(5)	(496)
Pension scheme liability	-	(2,446)	-	(2,446)
Total 2020	142	(2,078)	7,369	5,433

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	7,336	7,336
Current assets	183	494	62	739
Current liabilities	-	(285)	(5)	(290)
Non-current liabilities	-	-	(2)	(2)
Pension scheme liability	-	(1,921)	-	(1,921)
Total 2019	183	(1,712)	7,391	5,862

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020	2019
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(182)	62
Adjustments for:		
Depreciation (note 15)	165	168
Capital grants from DfE and other capital income (note 3 and 4)	(160)	(323)
Interest receivable (note 6)	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 27)	239	166
Defined benefit pension scheme finance cost (Note 14)	39	32
Increase in debtors (note 16)	(58)	(18)
Increase/(decrease) in creditors (note 17)	206	(299)
Loss on sale of fixed assets (note 10)	-	3
Net cash provided by/(used in) operating activities	247	(211)

22. Cash flows from financing activities

	2020	2019
	£000	£000
Repayments of borrowing (note 18)	(2)	(5)
Net cash used in financing activities	(2)	(5)

23. Cash flows from investing activities

	2020	2019
	£000	£000
Interest receivable (note 6)	2	2
Purchase of tangible fixed assets (note 15)	(96)	(317)
Capital grants from DfE Group (note 3 and 4)	160	323
Net cash provided by investing activities	66	8

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	918	607
Total cash and cash equivalents	918	607

25. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£000	£000	£000
Cash at bank and in hand	607	311	918
Debt due within 1 year	(5)	-	(5)
Debt due after 1 year	(2)	2	-
	600	313	913

26. Capital commitments

At 31 August 2020 the Academy Trust had capital commitments as follows:

	2020	2019
	£000	£000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	104	-

27. Pension commitments

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

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

Contributions amounting to £81,232 were payable to the schemes at 31 August 2020 (2019: £67,147) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in Academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pension Scheme budgeting and valuation account

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £487,000 (2019: £320,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £302,000 (2019: 287,000), of which employer's contributions totalled £241,000 (2019: £229,000) and employees' contributions totalled £61,000 (2019: £58,000). The agreed contribution rates for future years are 23.9% for employers and 5.5% - 12.5% for employees

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust 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

	2020	2019
	%	%
Rate of increase in salaries	2.70	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.30
Commutation of pensions to lump sums	50.00	50.00

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

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27. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(146)	(129)
Discount rate -0.1%	146	129
Mortality assumption - 1 year increase	217	183
Mortality assumption - 1 year decrease	(217)	(183)
CPI rate +0.1%	131	107
CPI rate -0.1%	(131)	(107)

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

	2020	2019
	£000	£000
Equities	1,758	1,543
Bonds	864	825
Property	239	213
Cash	119	80
Total market value of assets	2,980	2,661

The actual return on scheme assets was £54,000 (2019: £153,000).

The Academy Trust expects to contribute £241,000 to its defined benefit pension scheme in 2021.

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

	2020	2019
	£000	£000
Current service cost	(480)	(341)
Past service cost	-	(54)
Income income	53	66
Interest cost	(92)	(98)
Total amount recognised in the Statement of Financial Activities	(519)	(427)

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27. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2020	2019
	£000	£000
At 1 September	4,582	3,308
Current service cost	480	341
Past service cost	-	54
Interest cost	92	98
Employee contributions	61	58
Actuarial losses	248	749
Benefits paid	(37)	(26)
At 31 August	5,426	4,582

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020	2019
	£000	£000
At 1 September	2,661	2,247
Interest income	53	66
Actuarial gains	1	87
Employer contributions	241	229
Employee contributions	61	58
Benefits paid	(37)	(26)
At 31 August	2,980	2,661

28. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	135	129
Later than 1 year and not later than 5 years	365	409
Later than 5 years	859	937
	1,359	1,475

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29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year of account, other than the certain Trustees' remuneration and expenses already disclosed in note 12.

30. Controlling party

The Academy Trust is ultimately controlled by the members as listed on page 1.

31. Company limited by guarantee

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

32. 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.