

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Neil Smythe Stephen Criddle Matthew Redwood (resigned 27 March 2018) Jamie Parffrey Susan Apps (appointed 25 October 2017)
Trustees	Jamie Parffrey, Chair Matthew Redwood ¹ John Fellows (resigned 14 September 2017) Susan Apps (resigned 25 October 2017) ² Stewart Biddles ^{1,2,3} Josie Medforth ¹ Paul Garside ² Simon Lee (appointed 14 September 2017) Chris O'Connor (appointed 4 September 2017) ¹ Elaine Gill (appointed 1 September 2018) Will Foulds (appointed 1 September 2018) Gary Hotine (appointed 1 September 2018)

¹ Finance and Audit Committee

² Pay Committee

³ Admissions Committee

Company registered number	09751294
Company name	Riviera Education Trust
Principal and registered office	C/O Oldway Primary School Higher Polsham Road Paignton Devon TQ3 2SY
Company secretary	Faye Steele
Accounting Officer	Stewart Biddles
Senior management team	Mr Stewart Biddles, CEO and Headteacher Mrs Claire Shiers, Director of Finance Mrs Sam Meyer, Deputy Headteacher at Oldway Mrs Debbie Weible, Head of Teaching and Learning Mrs Vicky McCaig, Assistant Head at Roselands Mr Chris Connor, Headteacher at Roselands
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 50 The Terrace Torquay Devon TQ1 1DD

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Advisers (continued)

Bankers Lloyds Bank
 2 Palace Avenue
 Paignton
 TQ3 3ER

Solicitors Browne Jacobson
 Manor Court
 1 Dix's Field
 Exeter
 EX1 1UP

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 primary academies in Torbay. Its academies have a combined pupil capacity of 971 and had a roll of 972 in the school census on 1 October 2017.

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 Riviera Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Riviera Education Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£ -
Total pay bill	£ -
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall not be less than three but shall not be subject to any maximum.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 1 Trustee appointed by members.
- up to 3 Principals of the Academies appointed by the Trustee board.
- up to 3 LGB Chairs appointed by the Trustee board.
- up to 2 Community Trustees appointed by the Trustee board.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has started to develop a Trustee Recruitment, Induction and Training process. Recruitment will be matched with annual skills analysis to identifying the skills that could be beneficial to the Academy Trust.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and induction will be tailored specifically to the individual.

There is a Trustees' strategy day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities and to engage in a Trust self assessment/self evaluation process.

Organisational Structure

The Board of Trustees normally meets once each term with additional meetings as required to discuss standards and the annual accounts. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and the Local Standards Boards (LSB) as laid down in the Scheme of Delegation. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

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

There are 3 Trustees committees as follows;

- **Finance and Audit Committee** - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- **Pay Committee** - this meets at least once a year and is responsible for monitoring, evaluating and reviewing the pay policy and making initial decisions on staff pay, dismissal, grievance or redundancy.
- **Admissions Committee** - this meets as required to deal with all matters relating to admissions.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint Headteachers, Head of School, Director of Finance and Clerk to the Trustees, to approve the Annual Development Plans and budgets.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

A Trust Senior Leadership Team meets regularly to ensure the CEO has up to date and accurate information. This group is comprised of the Headteachers/Head of School, Deputy Headteachers, Teaching School Lead and HR and Finance Directors of the Trust.

The Headteacher/Head of School is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor, which may be a staff Governor.

The Academy Trust comprises two primary schools – Oldway and Roselands. Each school has its own Local Governing Body responsible for day to day operations and standards.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually by the Academy Trust pay committee and normally increased in accordance with average earnings, for example with reference to recommendations of Teachers Pay and Review Board.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Riviera Education Trust.

Oldway School Fundraisers (OSF) and Roselands Parents and Staff Association (PSA) are made up of parents and staff who fundraise separately and donate funds towards assets and school trips.

In 2017/18 the OSF have donated £4,000 to update new IPADS for whole school, £720 towards forest school activities for early years and £500 towards additional school visits. In addition they have purchased £600 for new dictionaries/thesaurus, £900 for KS1 reading books, £500 towards wet play equipment for the whole school, £250 for Nursery outdoor play equipment, £600 for Year 6 leavers' events and clothing, £500 towards Christmas events

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

During 2017/2018 Roselands PSA kindly donated £1,965 to the school. £200 went towards the new Guinea Pigs, £200 for new new books, £157.50 for chocolates given to all the children at Christmas, £208 for all Easter Eggs, £140 towards the gardening club, £370 raised to give to the Butler family after the loss of their Father, £99 for engraved pencils donated to the school and £520 for the Year 6 Leavers (DJ for disco, Medals, Engravings, t-shirts and cakes).

OBJECTIVES AND ACTIVITIES

Objects and Aims

Vision:

'In partnership to provide excellence for all our children'

As a multi-academy trust, our aim is for all children to reach their full potential; to move into secondary education free to make future choices about their education pathway; to move on from education to become happy, respectful and responsible citizens, contributing positively both to the economy and the society in which they live.

We will achieve this through a collaborative, self-improving school system. We will strive for excellence in all that we do and have a clear focus on school improvement to ensure children in our trust achieve the best possible outcomes.

We aim to influence the wider educational landscape through our Teaching School, reaching more children and school communities through outward facing collaborations.

All schools within our academy trust will work collaboratively to achieve the best outcomes for all the children in our care.

Aims:

To ensure that all of the schools within the Riviera Education Trust:

- Are highly successful and achieve positive academic outcomes;
- Inspire learners through providing a rich and relevant curriculum;
- Use self-reflection and evaluation to foster a culture of positive challenge and continual school improvement;
- Demonstrate inspirational leadership and determination at all levels to improve performance and drive on outstanding teaching and learning;
- Have high expectations for every individual and work to raise community aspirations;
- Fully engage and commit to the culture of collaboration in order to share resources and best practice for the benefit of everyone within the trust;
- Use the latest research to develop lively and enquiring minds for both students and staff;
- Have an open, honest and transparent relationship between leaders at all levels.

Objectives, Strategies and Activities

In order to provide every child with the best possible educational experience, we will work collaboratively to achieve the objectives set out in our Trust Development Plan.

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

	Key Priority	Key Objectives
1	Share our vision successfully with all stakeholders	1.1 Adapt and share vision statement with staff, pupils and parents 1.2 Develop effective communication through trust newsletters, website and social media, e.g. Twitter
2	Strengthen the governance of the Trust	2.1 Fully implement the scheme of delegation and the terms of reference 2.2 Ensure quality assurance systems are in place and are robust 2.3 Ensure all statutory policies are in place 2.4 Leaders are held to account for driving improvement in each school
3	Facilitate lifelong learning and improve outcomes for all pupils	3.1 Ensure schools' improvement plans are appropriate and focused 3.2 Ensure rigorous monitoring systems are in place across each school 3.3 Each school will share data information and improvement priorities through Trust SLT 3.4 Implement joint curriculum projects successfully across the schools 3.5 Share best practice and carry out joint CPD to benefit all staff
4	Improve financial and operational strength of the Trust	4.1 Undertake a centralisation of key processes, e.g. financial and HR processes 4.2 Develop a central team of Trust personnel i.e. finance, HR, Teaching and Learning 4.3 Investigate improved FMIS and MIS systems 4.4 Continue to investigate procurement opportunities in order to benefit from economies of scale

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Our Academy Trust is based on a collaborative, self-improving school system. We have a duty to support all schools within our Academy Trust but also to support those more vulnerable schools across Torbay. We achieve this support and collaboration through the work of our Teaching School which aims to advance for the public benefit, education in Torbay and the surrounding area.

STRATEGIC REPORT

Achievements and Performance

In its third year of operation, the Trust continues to develop effective governance structures and communicates a clear vision to all stakeholders.

The Academy Trust has a good reputation and both schools were heavily oversubscribed for Reception places in September 2018.

Joint CPD and sharing of good practice across the schools has been effective and has been developed to include schools being supported by the Trust, as well as schools wishing to join the Trust

To ensure that standards are continually assessed, the schools have implemented rigorous monitoring systems using lesson observations, book and planning scrutiny and data analysis. The end of year results have been positive in both schools and are above national in most areas.

The Academy Trust continues to support other schools effectively both through its teaching school (TTSA) but also through successful Strategic School Improvement Fund (SSIF) bids. TTSA led the Torbay hub of a Maths SSIF bid that has supported 12 local schools and brought about improved outcomes in mathematics for those schools. The CEO has successfully bid for emergency funding (£70k) to support a local school and this school is making rapid improvement from a very low starting point.

Key Performance Indicators

Oldway Primary School

End of Early Years Foundation Stage

	National	2018
GLD	71%	85%

Phonics Screening

	National	2018
Year 1	81%	85%

Key Stage 1

	National	2018
Reading	76%	79%
Writing	70%	80%
Maths	76%	88%

Cont.

Key Stage 2

	National	2018
Reading	75%	77%
Writing	78%	78%
Maths	76%	80%
Grammar, Punctuation & Spelling	77%	76%
Combined	64%	69%

Roselands Primary School

End of Early Years Foundation Stage

	National	2018
GLD	71%	78%

Phonics Screening

	National	2018
Year 1	81%	85%

Key Stage 1

	National	2018
Reading	76%	80%
Writing	70%	74%
Maths	76%	74%

Key Stage 2

	National	2018
Reading	75%	76%
Writing	78%	76%
Maths	76%	84%
Grammar, Punctuation & Spelling	77%	80%
Combined	64%	67%

Quality of Teaching and Learning

- At least 95% of teaching across the school will be good or better
- All teachers will understand what is meant by good and outstanding teaching
- Best practice will be shared through the use of coaching and peer observations

Outcomes

All schools will regularly analyse and report progress and attainment to ensure quality provision

- All schools will be good or better in Ofsted inspections
- Attendance will be at least 96%
- Assessment and data
 - Teacher's assessment will be accurate and rigorous and will inform lesson planning and appropriate target-setting
 - Pupils' work will be assessed and moderated to ensure reliability and accuracy of assessment
 - Half-termly data reviews will be held to monitor pupils' progress and inform interventions
- Pupil Targets
 - EYFS – at least 80% to achieve GLD
 - Year 1 phonics – at least 90% to achieve expected level
 - KS1 - at least 75% of pupils achieve the age related expectations in reading, writing and maths (combined)
 - KS2 - at least 80% of pupils achieve the age related expectations in reading, writing and maths (combined)

**RIVIERA EDUCATION TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Staffing

The CEO was new in post from April 2017. All other SLT were already in post at the date of conversion.

Staffing is relatively stable across both schools in the Trust, however, due to financial forecasting, it was decided that a restructure of support staff was required at Oldway School (completed in October 2017). This resulted in positive real savings within the budget and due to support staff roles being re-evaluated, staff morale increased over the year, as evidenced in staff surveys (before and after).

Centralised staffing of HR and Finance has had a positive impact on procurement and financial outcomes.

The installation of a centralised MIS system and creation of a trust lead administrator role has also had a positive impact upon relationships across the trust and trust efficiencies.

The appointment of a Teaching School Lead and a Head of Teaching and Learning have had positive outcomes for both schools in the trust and in the wider educational community.

Both schools are committed to providing ongoing Continued Professional Development for staff, linked to School Improvement targets and targets linked to appraisal. Staff have benefited from both Professional Development courses run either by external sources or through the Teaching School Alliance, and from internally run events such as Prevent and Child Protection.

Financial

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £Nil was carried forward.

As the majority of the funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for have remained relatively consistent in 2017/18.

Other key performance indicators (excluding conversion balances) include:

	2018	2017
Pupil capacity	971	971
Pupil numbers	972	961
Total income per pupil	4,449	4,349
Total GAG income per pupil	3,213	3,342
GAG income ratio of total income excluding conversion	72.2%	76.8%
Total expenditure per pupil excluding depreciation and pension deficit adjustments	4,271	4,395
Staff costs per pupil	3,758	3,893
Staff costs as a % of GAG income	117.0%	116.5%
Staff costs as a % of total costs	72.3%	73.5%
Pupil teacher ratio (average head count)	25.6	22.3
Available reserves (excluding SSIF)	247,673	157,664
Available reserves per pupil (excluding SSIF)	255	164

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.

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

During the year ended 31 August 2018, the Academy Trust received total income of £4,324,687 and incurred total expenditure of £5,051,380, including pension and depreciation. The excess of total expenditure over income for the year was £726,693.

At 31 August 2018 the net book value of fixed assets was £9,995,558 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy Trust upon conversion. Land and buildings were professionally valued on 31 March 2016 at £9,627,565. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Fees and Remissions, Investment, Capitalisation of Assets and Reserves Policy.

Reserves Policy

The Trustees will review the reserve levels of the Academy Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review including 3 year budgets, projecting funding, income and expenditure. The Trustee Board have identified the need to plan to meet the future funding available and for capital investment and both schools set budgets for 2018/19 well within the funding available.

The Trustees agreed in May 2016 to aim for a reserve level of 5% of GAG funding. During 2017/18, Trustees decided to set aside a specific reserve in respect of costs associated with new schools joining the RET. After considering staff absence insurance quotations, Trustees have also decided to 'self-insure' teacher absence and earmark a further £50,000 from September 2018, from which to reimburse each school. The Trust have also put aside £30,000 in respect of conversion costs for new schools joining the MAT, of which £6,946 has been spent in the year.

In accounting for the Local Government Pension Scheme, the Trust recognises that there is a pension fund deficit which is included in unrestricted funds. This could in theory result in a deficit in unrestricted funds, however it must be stated that an immediate liability for this amount is not crystallised. The pension deficit will be dealt with by an increase in the employers' pension contribution over a period of years and the Three Year Financial Plan and annual budgets must take into account these additional contributions. Therefore, whilst the deficit might not be eliminated, there should be no actual cashflow deficit on the fund, or direct impact on the uncommitted reserves of the Trust because of recognising the deficit.

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

The reserves as reported in the accompanying accounts amounted to as at 31st August 2018:

GAG - £Nil
Unrestricted - £163,822
Designated - £80,000
Restricted – £63,889

Investment Policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are such that there is no risk to the loss of these cash funds.

Due to the nature and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Day to day management of surplus funds is delegated to the Finance Director in accordance with the guidelines set out and approved by Trustees.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed Internal audit (Devon Audit Partnership) to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan.

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

These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan will be regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy Trust is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

During the summer term of 2018, the DfE approved an application for Shiphay Learning Academy (SLA) to join our trust from September 1st 2018. The benefits of SLA being a part of our trust include:

- An additional outstanding school reporting high standards in progress outcomes for pupils at the end of KS2, particularly in writing, which has been a focus area for the schools currently in our trust.
- Being a National Support School (like Oldway), the addition to the trust of SLA provides additional capacity through staffing expertise, to allow the trust to expand further in the future by supporting a school in challenging academic circumstances.
- Trust wide CPD will be enhanced through the wider expertise and range of teaching skills available within the trust.
- The ability to further develop trust teams to work in areas such as SEND, English and Maths, will support staff CPD and knowledge as recognised by the RSC and NSC. This will, over time, impact on raising pupil outcomes, therefore supporting the trust in achieving its aims for its children.
- Increased opportunities for children to be involved in wider school activities, such as trust orchestra, drama performances, trust sports days, festivals and galas.
- Additional pupil numbers (approximately 450) will support the longer - term financial position of the trust, enabling greater bargaining power and improved procurement opportunities.
- SLA is a recognised ICT specialist school, accredited by Apple. The experience of children at SLA in terms of ICT teaching and learning is ahead of those experienced at Oldway and Roselands. The benefits to pupils' technological education could be significant.

Offset against these benefits are financial concerns:

- Shiphay Learning Academy brings a financial deficit, and management of finances has been highlighted within their accounts. The systems, controls and processes adopted by RET should mitigate these issues, but there will be a sizeable deficit to manage in the first instance.
- The size of deficit had been unclear prior to Shiphay joining RET as there has been limited access to the information identified and requested for the due diligence process. Trustees have considered at length, the risks that this could pose to the trust, but have taken the long-term view that the benefit to the children across all RET schools through the inclusion of this asset, outweighs the short-term concern.

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

- There are a number of unusual lease agreements at Shiphay relating to ICT equipment and these will need to be investigated and discussed with the ESFA if there are discrepancies between finance and operating leases.
- The staffing structure and pay scales at Shiphay differ considerably in comparison to the other schools in the trust and over time these will need to be carefully managed to ensure equity across the staff base of the trust.
- Buildings at Shiphay require significant investment, however there is a CIF project underway which will address the key issues around replacement of roofing.

The Academy Trust continues to invest in the Challenge Partners review program, and has the expectation that all schools will participate in this independent annual review of teaching and learning. The most recent outcomes have been: Oldway - Outstanding; Roselands - Good. These reviews will continue to support leadership in making decisions around school improvement, and provide useful verification for trustees that successful teaching and learning and school improvement strategies are being employed in each of its schools.

Following the Academy Trust strategy day, a new model of governor monitoring will be introduced in 2018-19 academic year. This will require Local Standards Boards (LSBs - previously Local Governing Bodies) to visit each school and spend part of a day reviewing an area of the school development plan by actively watching lessons and speaking to staff and pupils about the actions that have taken place as a result of school improvement planning. These visits will happen termly and will be interspersed by a formal LSB meeting. The trust believes that this will provide additional challenge to the schools whilst providing governors with a greater understanding of what is happening on the ground in the schools, day to day.

Roselands School will be focusing on Oracy to further improve outcomes in writing over the coming year, and will be actively involved in the teaching for mastery project in mathematics.

Oldway School will be investing CPD time in Talk 4 Writing strategies to improve consistency of writing teaching across the school, as well as a continued focus on 'pre-teaching and assigning competence' to improve confidence and outcomes in mathematics.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 18/12/18 and signed on the board's behalf by:



Jamie Parffrey
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Riviera Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jamie Parffrey, Chair	5	5
Matthew Redwood	4	5
Susan Apps	0	1
Stewart Biddles	5	5
Josie Medforth	5	5
Paul Garside	4	5
Chris O'Connor	4	5
Simon Lee	5	5
Gary Hotine	0	0

The third year of the Riviera Education Trust has continued to be successful. The aim of the Trust, to provide excellence for all our children, has been the driving force behind all decisions made and both schools within the Trust have achieved well both academically and in terms of staff, parent and pupil morale.

In its third year of operation, the Trust has reviewed its governance structures and has identified a new approach to take forward into the third year, that will give local governors a deeper understanding of the work going on in their schools. The Trust has an excellent reputation both nationally and with the Regional Schools Commissioner. Both schools remain heavily oversubscribed for Reception places.

Joint CPD and sharing of good practice across the schools within assessment, teaching and learning and the curriculum has been effective and has led to benefits for both staff and pupils across the Trust. Relationships have developed and trust has grown leading to effective partnerships across both schools.

The newly appointed CEO has supported trustees, guiding the process of governance restructure and, along with trustees has secured the joining of the third school into the trust.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To oversee the annual budget setting.
- To propose the annual budget to the Trustees.
- To ensure that reports on a monitoring basis are presented to the Local Governing Bodies on financial matters.
- To ensure a strategic financial view of income, staffing, other expenditure and capital projects. This will include monitoring income and expenditure against budget including reporting of any significant budget amendments
- To have a strategic view regarding forward planning of school finances through longer term financial plans and projections, including capital funding both for maintenance of existing facilities and for school improvement projects.

GOVERNANCE STATEMENT (continued)

- To review and monitor all policies under the scope of the Finance and Audit Committee, as delegated by the Scheme of Delegation.
- To ensure compliance with the Finance Policy and Competitive Tendering Policy (consultation on awards of contracts over £50,000), Best Value Statement and Academies Financial Handbook and ensure that academy financial control systems are robust.
- To ensure the Annual Report and Accounts are produced in accordance with the Academies Financial Handbook.
- To review the annual report and accounts and recommend for approval to the Trustees
- To approve opening and operation of academy bank accounts; authorised signatories; the process of transfers between accounts (via investment policy); operation of credit cards; payment system controls including BACS.
- To ensure that the schools asset management plan is regularly updated and to monitor the progress of all facilities works, including ACMF projects.
- To review and approve bought in service provision in line with levels of delegation as set out in the finance policy.
- To take approved reports to Trustees and report to the Board on any other matters of significance.
- To consider and review financial reports relating to Teaching School Activities.

Audit Committee

The finance committee also acts as the Audit Committee for the Academy (MAT).

Staff employed by the trust may attend the audit committee to provide information and participate in discussions, but should not be members of it, or vote when matters relating to audit are discussed.

The overall requirements for the Audit Committee, as specified in the Academies Financial Handbook.

- Internal scrutiny - to have in place a process for checking financial systems, controls, transactions and risks
- To achieve internal scrutiny which delivers objective and independent assurance.
- To provide assurance to governors that risks are being adequately identified and managed by
 - reviewing the risks to internal financial control at the Academy
 - agreeing a programme of work to address, and provide assurance on, those risks
- To inform the governance statement that accompanies the annual accounts and, so far as is possible, provide assurance to the external auditors

In detail this is achieved through:-

The audit committee manages this programme of risk review and checking of financial controls in the way that they deem most appropriate to their circumstances. Options include: internal audit, additional work by the external auditor, the work of a 'responsible officer' and/or work by 'peer review'.

The adequacy of arrangements will be established as part of the process leading to the accounting officer's annual statement and, where appropriate, through the self-assessment review of financial management and governance, FMGS.

Effectiveness of financial control

- To review the effectiveness of financial and other control systems
- To oversee the academy's policy on fraud and irregularity
- To ensure that all significant losses have been properly investigated and reported as appropriate, including notification to the EFA of losses through fraud or theft in excess of £5,000
- To ensure capture of all business and pecuniary interests of members, trustees and senior employees
- To monitor the Trust arrangements to secure value for money in line with the Competitive Tendering Policy.

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Risk management

To advise the Trustees on risk management by:

- Being familiar with the requirements of risk management
- Review and Update Strategic Risk Register alongside Chief Accounting Officer and Headteachers.
- Ensuring appropriate audit work on risk management

Audit

- To guide the internal auditor on the nature and scope of the audit as necessary taking into account previous Audit feedback
- To consider and advise the Trustees on external audit reports and management letters.
- To advise the Trustees on appointment of Internal and External Audit
- Assess effectiveness of Audit provision and take action where necessary.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Stewart Biddles	4	4
Matthew Redwood	4	4
Josie Medforth	4	4

The Pay Committee is a sub-committee of the main Board of Trustees. Its purpose is to

- The Pay Committee will review the staffing establishment of each academy at least once a year as part of the Academies Improvement Plans. This review will take place before the Board determines the budget for the following year so as to take account of any recommendations by the Committee which carry financial implications.
- The Pay Committee will assess the salary levels of individual members of staff at least once a year, in accordance with the Pay Policy and in relation to the Academies Improvement Plans. During this process it will determine the salaries to be paid to all members of staff.
- Decisions will be communicated to all teachers by the Headteacher in writing in accordance with paragraph 3 of the STCPD, or by the Chair of Governors (or their representative) in relation to the pay of the Headteacher.
- Where the Board collaborates with another governing body or bodies on the appointment of staff, joint pay committees may be established between the relevant governing bodies to deal with pay and performance matters of relevant staff.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Paul Garside	1	1
Susan Apps	1	1
Matthew Redwood	1	1

REVIEW OF VALUE FOR MONEY

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

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

GOVERNANCE STATEMENT (continued)

use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by: Effective management of the budgets of each school. Making appropriate staffing decisions that have saved monies to be spent in other areas, without impacting upon the quality of educational standards.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Riviera Education Trust for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

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

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 including contracts
- Testing of Internal Controls
- Testing of control account/bank account reconciliations
- Review of Governance
- Review of Risk Strategy and management documentation
- Audit of Teaching School

On an annual basis, the auditor reports to the Board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (continued)

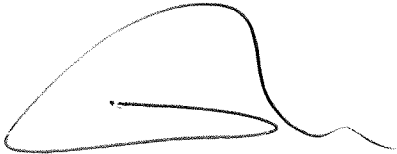
REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 18/12/18 and signed on their behalf, by:



**Jamie Parffrey
Chair of Trustees**



**Stewart Biddles
Accounting Officer**

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Riviera Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



Stewart Biddles
Accounting Officer

18/12/18

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

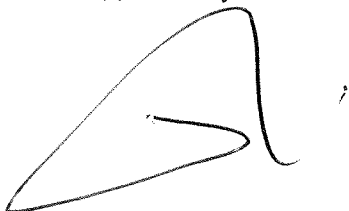
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



**Jamie Parffrey
Chair of Trustees**

Date: 18/12/18

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIVIERA
EDUCATION TRUST**

OPINION

We have audited the financial statements of Riviera Education Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities, 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 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 Auditors' 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.

OTHER INFORMATION

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

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

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIVIERA EDUCATION TRUST

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

AUDITORS' 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 Auditors' 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.

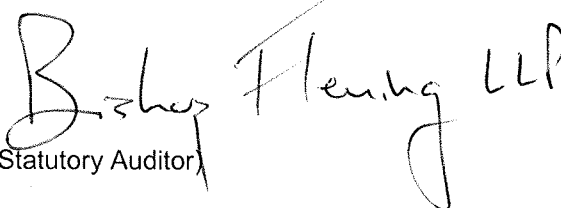
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIVIERA
EDUCATION TRUST**

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



William Hanbury FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD
Date: 20/12/18

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RIVIERA
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 May 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Riviera Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF RIVIERA EDUCATION TRUST'S AND THE REPORTING
ACCOUNTANT**

The is responsible, under the requirements of Riviera Education Trust's funding agreement with the Secretary of State for Education dated 30 September 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

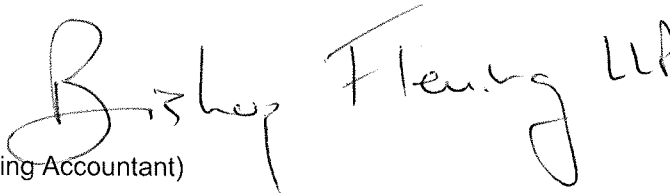
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RIVIERA
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



William Hanbury FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

Date: 20/2/18

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	6,176	54,502	22,962	83,640	85,020
Charitable activities:	3					
Funding for the academy trust's educational operations		172,529	3,892,205	-	4,064,734	3,939,917
Teaching schools	29	-	40,000	-	40,000	40,000
Other trading activities	4	132,680	-	-	132,680	108,865
Investments	5	3,633	-	-	3,633	5,340
TOTAL INCOME		315,018	3,986,707	22,962	4,324,687	4,179,142
EXPENDITURE ON:						
Raising funds		2,743	-	-	2,743	1,938
Charitable activities:						
Academy trust educational operations	6	186,009	4,232,926	589,702	5,008,637	5,046,262
Teaching schools	29	-	40,000	-	40,000	40,000
TOTAL EXPENDITURE	7	188,752	4,272,926	589,702	5,051,380	5,088,200
NET BEFORE TRANSFERS		126,266	(286,219)	(566,740)	(726,693)	(909,058)
Transfers between Funds	19	(37,553)	37,553	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		88,713	(248,666)	(566,740)	(726,693)	(909,058)
Actuarial gains on defined benefit pension schemes	23	-	567,000	-	567,000	180,000
NET MOVEMENT IN FUNDS		88,713	318,334	(566,740)	(159,693)	(729,058)
RECONCILIATION OF FUNDS:						
Total funds brought forward		155,109	(2,106,445)	10,602,638	8,651,302	9,380,360
TOTAL FUNDS CARRIED FORWARD		243,822	(1,788,111)	10,035,898	8,491,609	8,651,302

The notes on pages 30 to 54 form part of these financial statements.

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 09751294

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		9,995,558		10,560,872
CURRENT ASSETS					
Debtors	16	164,850		74,278	
Cash at bank and in hand		759,258		728,328	
			<u>924,108</u>	<u>802,606</u>	
CREDITORS: amounts falling due within one year	17	(576,057)		(603,176)	
NET CURRENT ASSETS			<u>348,051</u>		<u>199,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	23		10,343,609		10,760,302
			<u>(1,852,000)</u>		<u>(2,109,000)</u>
NET ASSETS			<u>8,491,609</u>		<u>8,651,302</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	63,889		2,555	
Fixed asset funds	19	10,035,898		10,602,638	
Restricted funds excluding pension liability			<u>10,099,787</u>	<u>10,605,193</u>	
Pension reserve		(1,852,000)		(2,109,000)	
Total restricted funds			<u>8,247,787</u>		<u>8,496,193</u>
Unrestricted funds	19		243,822		155,109
TOTAL FUNDS			<u>8,491,609</u>		<u>8,651,302</u>

The financial statements on pages 27 to 54 were approved by the Trustees, and authorised for issue, on 18/12/18 and are signed on their behalf, by:



Jamie Parffrey
Chair of Trustees

The notes on pages 30 to 54 form part of these financial statements.

**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>32,760</u>	<u>(824)</u>
Cash flows from investing activities:			
Interest received		3,633	5,340
Purchase of tangible fixed assets		(24,388)	(31,014)
Capital grants from DfE and other capital income		<u>18,925</u>	<u>19,016</u>
Net cash used in investing activities		<u>(1,830)</u>	<u>(6,658)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>728,328</u>	<u>735,810</u>
Cash and cash equivalents carried forward	22	<u><u>759,258</u></u>	<u><u>728,328</u></u>

The notes on pages 30 to 54 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Riviera Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

1.3 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities 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 grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

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

1.5 EXPENDITURE

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and a 50 year lease for the buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Furniture and fixtures	-	5 years straight line
Computer equipment	-	3 years straight line

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

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.

1.7 OPERATING LEASES

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

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

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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 TAXATION

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

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to 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.

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing third party funds. Payments received from third parties and subsequent expenses are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use an agreed allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 28.

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	6,176	54,502	4,037	64,715	66,004
Capital Grants	-	-	18,925	18,925	19,016
Grants	-	-	-	-	-
	<u>6,176</u>	<u>54,502</u>	<u>22,962</u>	<u>83,640</u>	<u>85,020</u>
Total 2017	<u>2,408</u>	<u>63,596</u>	<u>19,016</u>	<u>85,020</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	42,727	3,892,205	3,934,932	3,830,828
Nursery	129,802	-	129,802	109,089
	<u>172,529</u>	<u>3,892,205</u>	<u>4,064,734</u>	<u>3,939,917</u>
Total 2017	<u>256,307</u>	<u>3,683,610</u>	<u>3,939,917</u>	

RIVIERA EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	3,122,856	3,122,856	3,211,480
Other DfE Group grants	-	410,833	410,833	392,098
	-	3,533,689	3,533,689	3,603,578
Other Government grants				
High Needs	-	99,221	99,221	52,386
Other Government grants	-	114,240	114,240	24,357
	-	213,461	213,461	76,743
Other funding				
Internal catering income	14,702	2,726	17,428	17,913
Sales to students	1,263	-	1,263	1,472
Other	26,762	142,329	169,091	131,122
	42,727	145,055	187,782	150,507
	42,727	3,892,205	3,934,932	3,830,828
Total 2017	147,218	3,683,610	3,830,828	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	61,806	-	61,806	54,600
Staff Catering	1,805	-	1,805	2,568
Fees received	62,693	-	62,693	50,655
Other	6,376	-	6,376	1,042
	132,680	-	132,680	108,865
Total 2017	108,865	-	108,865	

RIVIERA EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	3,633	-	3,633	5,340
Total 2017	5,340	-	5,340	

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	83,654	4,822,628	4,906,282	5,019,317
Nursery	102,355	-	102,355	26,945
	186,009	4,822,628	5,008,637	5,046,262
Total 2017	502,142	4,544,120	5,046,262	

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	-	-	2,743	2,743	1,938
Education:					
Direct costs	2,827,147	404,795	216,157	3,448,099	3,602,031
Support costs	687,563	371,718	398,902	1,458,183	1,346,104
Nursery:					
Direct costs	84,904	-	160	85,064	93,577
Support costs	14,951	-	2,340	17,291	2,474
Teaching schools	38,598	-	1,402	40,000	40,000
	3,653,163	776,513	621,704	5,051,380	5,086,124
Total 2017	3,741,564	738,781	605,779	5,086,124	

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. DIRECT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	55,000	-	55,000	43,000
Educational supplies	89,118	160	89,278	113,992
Staff development	14,313	-	14,313	21,687
Other costs	56,918	-	56,918	56,042
Wages and salaries	2,175,528	70,541	2,246,069	2,322,654
National insurance	186,196	3,985	190,181	200,293
Pension cost	465,424	10,378	475,802	507,242
Depreciation	405,602	-	405,602	432,774
	<u>3,448,099</u>	<u>85,064</u>	<u>3,533,163</u>	<u>3,697,684</u>
Total 2017	<u>3,604,107</u>	<u>93,577</u>	<u>3,697,684</u>	

9. SUPPORT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Other costs	33,625	-	33,625	26,306
Recruitment and support	4,956	-	4,956	6,786
Maintenance of premises and equipment	71,013	-	71,013	39,929
Cleaning	20,493	-	20,493	19,738
Rent and rates	38,678	-	38,678	39,729
Energy costs	54,865	-	54,865	55,558
Insurance	27,588	-	27,588	26,263
Security and transport	17,455	-	17,455	13,949
Catering	138,134	-	138,134	130,712
Technology costs	9,926	-	9,926	6,790
Office overheads	41,958	2,340	44,298	43,335
Legal and professional	127,477	-	127,477	116,423
Governance	352	-	352	-
Wages and salaries	469,043	14,652	483,695	475,819
National insurance	24,659	12	24,671	23,809
Pension cost	193,861	287	194,148	171,748
Depreciation	184,100	-	184,100	151,684
	<u>1,458,183</u>	<u>17,291</u>	<u>1,475,474</u>	<u>1,348,578</u>
Total 2017	<u>1,346,104</u>	<u>2,474</u>	<u>1,348,578</u>	

RIVIERA EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	589,702	584,458
Auditors' remuneration - audit	4,750	4,500
Auditors' remuneration - other services	4,820	5,200
Operating lease rentals	10,572	9,330
	<u><u> </u></u>	<u><u> </u></u>

**RIVIERA EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,765,324	2,770,007
Social security costs	217,890	224,101
Pension costs	669,949	678,990
	<u>3,653,163</u>	<u>3,673,098</u>
Staff restructuring costs	-	68,466
	<u><u>3,653,163</u></u>	<u><u>3,741,564</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	46	46
Educational Support	129	128
Administration and Clerical	13	11
Management	6	6
	<u>194</u>	<u>191</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	38	37
Educational Support	63	60
Administration and Clerical	9	9
Management	6	9
	<u>116</u>	<u>115</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their roles as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer's national insurance contributions and employer pension

RIVIERA EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF COSTS (continued)

contributions) received by key management personnel for their services to the Academy Trust in the period was £428,285 (2017: £409,117).

As staff Trustees are not remunerated in respect of their role as a trustee, where staff Trustees do not form a part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

12. TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration and employers pension contributions for the period was as follows:

S Biddles: Remuneration £90,000 - £95,000 (2017: £85,000 - £90,000), Employers pension contributions £Nil (2017: £10,000 to £15,000),

C O'Connor: Remuneration £50,000 to £55,000 (2017: Not a Trustee), Employers pension contributions £5,000 to £10,000 (2017: Not a Trustee).

Other related party transactions involving the Trustees are set out in note 27.

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £1,087 (2017: £283) were reimbursed to 3 Trustees (2017: 3).

13. CENTRAL SERVICES

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

- Human resources and payroll support
- Financial services
- Legal services
- Educational support services
- Insurance procurement

The Academy charges for these services on the following basis:

These services are funded based on direct expenditure incurred and a proportion of salary costs relating to time spent on the Academy Trust.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Oldway Primary	137,932	81,352
Roselands Primary	75,684	44,941
Total	<u>213,616</u>	<u>126,293</u>

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

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2017	9,633,337	2,010,623	27,269	11,671,229
Additions	-	11,551	12,837	24,388
At 31 August 2018	<u>9,633,337</u>	<u>2,022,174</u>	<u>40,106</u>	<u>11,695,617</u>
DEPRECIATION				
At 1 September 2017	331,947	765,008	13,402	1,110,357
Charge for the year	173,245	404,436	12,021	589,702
At 31 August 2018	<u>505,192</u>	<u>1,169,444</u>	<u>25,423</u>	<u>1,700,059</u>
NET BOOK VALUE				
At 31 August 2018	<u>9,128,145</u>	<u>852,730</u>	<u>14,683</u>	<u>9,995,558</u>
At 31 August 2017	<u>9,301,390</u>	<u>1,245,615</u>	<u>13,867</u>	<u>10,560,872</u>

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was included within the total public liability insurance cost of £3,380 (2017: £6,778)

16. DEBTORS

	2018 £	2017 £
VAT recoverable	14,229	5,564
Prepayments and accrued income	150,621	68,714
	<u>164,850</u>	<u>74,278</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	-	47
Other taxation and social security	53,210	58,860
Other creditors	298,412	349,692
Accruals and deferred income	224,435	194,577
	<u>576,057</u>	<u>603,176</u>

RIVIERA EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	123,248	79,376
Resources deferred during the year	144,472	123,248
Amounts released from previous years	(123,248)	(79,376)
	<u>144,472</u>	<u>123,248</u>
Deferred income at 31 August 2018	<u>144,472</u>	<u>123,248</u>

The deferred income balance relates to funding received for Universal Infant Free School Meals, Breakfast and After School Club sessions and Music income relating to the 18/19 year.

18. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	759,258	728,328
Financial assets measured at amortised cost	14,230	5,564
	<u>773,488</u>	<u>733,892</u>
Financial liabilities measured at amortised cost	<u>(2,203,622)</u>	<u>(2,517,739)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise VAT recoverable.

Financial liabilities measured at amortised cost comprise taxation and social security, other creditors, and the defined benefit pension liability.

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

19. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
DESIGNATED FUNDS						
Staff absence	-	-	-	50,000	-	50,000
MAT expansion	-	-	-	30,000	-	30,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
GENERAL FUNDS						
General funds	155,109	315,018	(188,752)	(117,553)	-	163,822
Total Unrestricted funds	<u>155,109</u>	<u>315,018</u>	<u>(188,752)</u>	<u>(37,553)</u>	<u>-</u>	<u>243,822</u>
RESTRICTED FUNDS						
GAG	-	3,131,927	(3,169,480)	37,553	-	-
Pupil premium	-	257,083	(257,083)	-	-	-
UIFSM	-	128,738	(128,738)	-	-	-
Rates	-	22,352	(22,352)	-	-	-
High Needs	-	99,221	(99,221)	-	-	-
PE Grant	-	31,028	(31,028)	-	-	-
Other restricted income	-	73,232	(73,232)	-	-	-
Educational visits	1,110	51,121	(51,320)	-	-	911
Donations	1,445	1,495	-	-	-	2,940
Teaching School	-	40,000	(40,000)	-	-	-
NQT	-	24,000	(24,000)	-	-	-
Schools Direct	-	55,710	(55,710)	-	-	-
Strategic School Improvement Fund	-	70,800	(10,762)	-	-	60,038
Pension reserve	(2,109,000)	-	(310,000)	-	567,000	(1,852,000)
	<u>(2,106,445)</u>	<u>3,986,707</u>	<u>(4,272,926)</u>	<u>37,553</u>	<u>567,000</u>	<u>(1,788,111)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	10,513,616	-	(568,117)	-	-	9,945,499
Fixed assets purchased from GAG and other restricted funds	20,643	-	(8,060)	-	-	12,583
DfE/ESFA capital grants	66,088	18,925	(11,692)	-	-	73,321
Donated assets	2,291	-	(1,833)	-	-	458
Other donations	-	4,037	-	-	-	4,037
	<u>10,602,638</u>	<u>22,962</u>	<u>(589,702)</u>	<u>-</u>	<u>-</u>	<u>10,035,898</u>
Total restricted funds	<u>8,496,193</u>	<u>4,009,669</u>	<u>(4,862,628)</u>	<u>37,553</u>	<u>567,000</u>	<u>8,247,787</u>
Total of funds	<u>8,651,302</u>	<u>4,324,687</u>	<u>(5,051,380)</u>	<u>-</u>	<u>567,000</u>	<u>8,491,609</u>

19. STATEMENT OF FUNDS (continued)

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

Restricted funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

UIFSM (Universal Infant Free School Meals) - This funding was received in order to ensure children that meet the criteria have access to free school meals.

Rates relief - Income from the ESFA which is to be used for paying rates at the Academy.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Start Up Grant - Funding received to be used towards the costs of conversion to an academy trust.

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

National Leaders of Education - Income received towards the costs of supporting schools.

Teaching School, NQT and Schools Direct - Funding received for the academy to run the provision of the Teaching School, NQT and Schools Direct.

Strategic School Improvement Fund - This represents funds held for Kings Ash Primary School.

School to School, Maths Network and Torbay Leadership Academy - funding received for the academy towards administration costs of the School to School, Maths Network and Torbay Leadership Academy activities.

Pension reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed Asset Funds

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG - These relate to fixed assets purchased using GAG funds. The balance at the year end represents the net book value of the assets purchased.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the schools assets.

Donated assets – This represents the value of assets donated to the academy. The balance at the year end represents the NBV of donated assets held by the academy.

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19. STATEMENT OF FUNDS (continued)

OTHER INFORMATION

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 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Oldway Primary	170,536	34,510
Roselands Primary	137,175	123,154
Total before fixed asset fund and pension reserve	<u>307,711</u>	<u>157,664</u>
Restricted fixed asset fund	10,035,898	10,602,638
Pension reserve	(1,852,000)	(2,109,000)
Total	<u><u>8,491,609</u></u>	<u><u>8,651,302</u></u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Oldway Primary (including central services)	1,878,142	413,945	61,774	445,882	2,799,743	2,890,064
Roselands Primary	901,868	194,512	27,504	229,591	1,353,475	1,290,325
	<u>2,780,010</u>	<u>608,457</u>	<u>89,278</u>	<u>675,473</u>	<u>4,153,218</u>	<u>4,180,389</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	212,024	317,859	(178,084)	(196,690)	-	155,109

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	11,212	3,211,480	(3,407,382)	184,690	-	-
Pupil premium	-	251,521	(251,521)	-	-	-
UIFSM	-	117,258	(117,258)	-	-	-
Rates	-	21,611	(21,611)	-	-	-
High Needs	-	52,386	(52,386)	-	-	-
PE Grant	-	20,065	(20,065)	-	-	-
Other restricted income	-	687	(687)	-	-	-
Educational visits	360	52,799	(52,049)	-	-	1,110
Donations	9,684	7,885	(16,124)	-	-	1,445
Teaching School	-	46,000	(46,000)	-	-	-
NQT	-	24,575	(24,575)	-	-	-
Schools Direct	-	36,000	(36,000)	-	-	-
Pension reserve	(2,009,000)	-	(280,000)	-	180,000	(2,109,000)
	<u>(1,987,744)</u>	<u>3,842,267</u>	<u>(4,325,658)</u>	<u>184,690</u>	<u>180,000</u>	<u>(2,106,445)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	11,081,732	-	(568,116)	-	-	10,513,616
Fixed assets purchased from GAG and other restricted funds	16,703	-	(8,060)	12,000	-	20,643
DfE/ESFA capital grants	53,521	19,016	(6,449)	-	-	66,088
Donated assets	4,124	-	(1,833)	-	-	2,291
	<u>11,156,080</u>	<u>19,016</u>	<u>(584,458)</u>	<u>12,000</u>	<u>-</u>	<u>10,602,638</u>
Total restricted funds	<u>9,168,336</u>	<u>3,861,283</u>	<u>(4,910,116)</u>	<u>196,690</u>	<u>180,000</u>	<u>8,496,193</u>
Total of funds	<u>9,380,360</u>	<u>4,179,142</u>	<u>(5,088,200)</u>	<u>-</u>	<u>180,000</u>	<u>8,651,302</u>

RIVIERA EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	9,995,558	9,995,558
Current assets	243,822	639,946	40,340	924,108
Creditors due within one year	-	(576,057)	-	(576,057)
Pension scheme liability	-	(1,852,000)	-	(1,852,000)
	<u>243,822</u>	<u>(1,788,111)</u>	<u>10,035,898</u>	<u>8,491,609</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	10,560,872	10,560,872
Current assets	155,109	605,730	41,766	802,605
Creditors due within one year	-	(603,175)	-	(603,175)
Provisions for liabilities and charges	-	(2,109,000)	-	(2,109,000)
	<u>155,109</u>	<u>(2,106,445)</u>	<u>10,602,638</u>	<u>8,651,302</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(726,693)	(909,058)
Adjustment for:		
Depreciation charges	589,702	584,458
Interest received	(3,633)	(5,340)
Increase in debtors	(90,572)	(2,683)
(Decrease)/increase in creditors	(27,119)	70,815
Capital grants from DfE and other capital income	(18,925)	(19,016)
Defined benefit pension scheme cost less contributions payable	255,000	237,000
Defined benefit pension scheme finance cost	55,000	43,000
Net cash provided by/(used in) operating activities	<u>32,760</u>	<u>(824)</u>

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

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash at bank and in hand	18,660	117,730
Notice deposits (less than 3 months)	740,598	610,598
	<u>759,258</u>	<u>728,328</u>

23. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September

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23. PENSION COMMITMENTS (continued)

2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £247,053 (2017: £265,883).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £241,000 (2017: £212,000), of which employer's contributions totalled £190,000 (2017: £159,000) and employees' contributions totalled £51,000 (2017: £53,000). The agreed contribution rates for future years are 15.8% 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 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Expected return on scheme assets at 31 August	3.30 %	3.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	1.80 %	1.50 %

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

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28.0	27.9

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,170,000	939,000
Bonds	38,000	39,000
Property	175,000	139,000
Cash	30,000	37,000
Gilts	60,000	49,000
Other assets	466,000	383,000
	<u>1,939,000</u>	<u>1,586,000</u>

The actual return on scheme assets was £106,000 (2017: £151,000).

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

	2018 £	2017 £
Current service cost	(407,000)	(396,000)
Past service cost	(11,479)	(746)
Interest income	43,000	27,000
Interest cost	(98,000)	(70,000)
	<u>(473,479)</u>	<u>(439,746)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	3,695,000	3,157,000
Current service cost	407,000	396,000
Interest cost	98,000	70,000
Employee contributions	51,000	53,000
Actuarial (gains)/losses	(505,000)	13,000
Benefits paid	7,000	6,000
Past service costs	38,000	-
	<u>3,791,000</u>	<u>3,695,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,586,000	1,148,000
Interest income	44,000	28,000
Actuarial losses	62,000	193,000
Employer contributions	190,000	159,000
Employee contributions	51,000	53,000
Benefits paid	7,000	6,000
Administration expenses	(1,000)	(1,000)
	<u>1,939,000</u>	<u>1,586,000</u>
Closing fair value of scheme assets	<u>1,939,000</u>	<u>1,586,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	3,854	9,925
Between 1 and 5 years	1,838	3,583
	<u>5,692</u>	<u>13,508</u>
Total	<u>5,692</u>	<u>13,508</u>

25. MEMBERS' LIABILITY

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

26. GENERAL INFORMATION

Riviera Education Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is C/O Oldway Primary School, Higher Polsham Road, Paignton, Devon, TQ3 2SY.

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

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

Within sales is £1,242 made to Marldon Marquees, a company owned by a Trustee. No balance was due at 31 August 2018.

A Trustee was also a Trustee of Bay Education Trust in the year. During the period, sales were made to, and purchases made from Bay Education Trust of £10,674 and £22,810 respectively. No balance was due at 31 August 2018.

A Trustee was also a Governor of Sacred Heart RC Nursery & Primary School in the year. During the period, sales were made to, and purchases made from Bay Education Trust of £9,140 and £6,750 respectively. No balance was due at 31 August 2018.

28. AGENCY ARRANGEMENTS

The Academy Trust manages and distributes third party funds in relation to projects carried out within the local community. In the accounting period ended 31 August 2018 the Academy Trust received the following income in relation to non-academy funds:

TSST Grant £Nil
School to School £Nil
School Development Partner £Nil
School Improvement Network £114,502
SSIF £51,075
Attachment training £17,136

The amounts disbursed from the funds, and the balance held owing to the fund (and included within other creditors) as at 31 August was as follows:

TSST Grant £16,390 repaid, £nil owing to the fund
School to School £3,708 disbursed, £2,534 repaid, £nil owing to the fund
School Development Partner £31,599 disbursed, £41,610 owing to the fund
SSIF £51,075 disbursed, £nil owing to the fund
Attachment training £5,470 disbursed, £11,666 owing to the fund

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NOTES TO THE FINANCIAL STATEMENTS
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29. TEACHING SCHOOL TRADING ACCOUNT

	2018	2018	2017	2017
	£	£	£	£
INCOME				
DIRECT INCOME				
Income	40,000		40,000	
TOTAL INCOME		40,000		40,000
EXPENDITURE				
Staff costs	38,598		40,000	
OTHER EXPENDITURE				
Resources	1,402		-	
TOTAL EXPENDITURE		40,000		40,000