

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

CONTENTS

| | Page |
|---|---------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 18 |
| Governance statement | 19 - 24 |
| Statement on regularity, propriety and compliance | 25 |
| Independent auditors' report on the financial statements | 26 - 29 |
| Independent reporting accountant's report on regularity | 30 - 31 |
| Statement of financial activities incorporating income and expenditure account | 32 - 33 |
| Balance sheet | 34 |
| Statement of cash flows | 35 |
| Notes to the financial statements | 36 - 65 |

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

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | Neil Smythe Stephen Criddle Matthew Redwood (Resigned 27 March 2018) Jamie Parffrey Susan Apps |
| Trustees | Jamie Parffrey, Chair Chris O'Connor Stewart Biddles ^{1,2,3} Matthew Redwood ^{1,2} Paul Garside ² Simon Lee ² Elaine Gill (appointed 1 September 2018, resigned 31 August 2019) Josie Medforth ¹ Will Foulds (appointed 1 September 2018) Gary Hotine (appointed 1 September 2018) Claire Hepher (appointed 11 June 2019) |
| | 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 Debbie Weible, Head of Teaching and Learning Ms Elaine Gill, Headteacher at Shiphay Mr Chris Connor, Headteacher at Roselands |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors Century House Nicholson Road Torquay TQ2 7TD |

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

| | |
|-------------------|--|
| 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 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Shiphay Learning Academy was incorporated into the Riviera Education Trust (The Trust) on 1.9.2018. This means that the 2018/19 accounts comparative figures fare markedly different to the previous year in reporting the total assets and liabilities of Riviera Education Trust. On joining the Trust, the academy had a deficit balance of £100,549 which impacted on the reserves values and an unrestricted fixed asset reserve of £55,338, as identifiable in note 20 of these accounts.

The Trust operates 3 primary academies in Torbay. Excluding nursery places at Oldway and Shiphay, the Trust has places for 1380 pupils and is fully subscribed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 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 page 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 ceased to be a member.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

**Trade union facility time
Relevant union officials**

| | |
|---|---|
| Number of employees who were relevant union officials during the year | 1 |
| Full-time equivalent employee number | 1 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

£

| | |
|---|-----------|
| Total cost of facility time | 193 |
| Total pay bill | 5,663,609 |
| 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 | - % |
|---|-----|

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the 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 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 Trust. The limit of this indemnity is £10.

The Trust from 1.9.2018, is insured through the Department for Education, Risk Protection Arrangement offering unlimited professional indemnity.

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 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' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The 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 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.

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, Head of Teaching and Learning, Teaching School Lead and HR and Finance Directors of the Trust.

The Headteacher/Head of School is responsible for the appointment of staff with the exception of Deputy Head positions.

The Trust comprises three primary schools – Oldway, Roselands and Shipway. Each school has its own Local Governing Body responsible for day to day operations and standards, these are known as Local Standards

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Boards.

The Chief Executive is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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 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) and Friends of Shiphay School (FOSS) are made up of parents and staff who fundraise separately and donate funds towards assets and school trips.

OSF donated £5,000 towards the refurbishment of the music room, £500 towards multi-cultural arts events, £220 towards Space Odyssey and supported year 6 events and purchased several resource items.

The other 2 organisations raised funds but did not directly purchase any significant assets for the schools during this year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Vision:

'Inspiring the individuals of today for a better society tomorrow'

Our Vision is to provide educational excellence and strengthen provision across all schools so that every pupil has the best possible learning experience and is prepared for future life.

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 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, relevant and ambitious 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

| | Key Priority | Key Objectives |
|---|---|--|
| 1 | Share our vision successfully with all stakeholders | <p>1.1 Adapt and share vision statement with staff, pupils and parents</p> <p>1.2 Develop effective communication through trust newsletters, website and social media, e.g. Twitter</p> |
| 2 | Strengthen the governance of the Trust | <p>2.1 Fully implement the scheme of delegation and the terms of reference</p> <p>2.2 Ensure quality assurance systems are in place and are robust</p> <p>2.3 Ensure all statutory policies are in place</p> <p>2.4 Leaders are held to account for driving improvement in each school</p> |
| 3 | Facilitate lifelong learning and improve outcomes for all pupils | <p>3.1 Ensure schools' improvement plans are appropriate and focused</p> <p>3.2 Ensure rigorous monitoring systems are in place across each school</p> <p>3.3 Each school will share data information and improvement priorities through a dashboard available to trust leaders and trustees</p> <p>3.4 Implement joint curriculum projects successfully across the schools</p> <p>3.5 Share best practice and carry out joint CPD to benefit all staff</p> <p>3.6 Develop trust educational teams to support succession planning and shared expertise</p> |
| 4 | Improve financial and operational strength of the Trust | <p>4.1 Undertake a centralisation of key processes, e.g. financial and HR processes</p> <p>4.2 Develop a central team of Trust personnel i.e. finance, HR, Teaching and Learning</p> <p>4.3 Investigate improved FMIS and MIS systems</p> <p>4.4 Continue to investigate procurement opportunities in order to benefit from economies of scale</p> |

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

Our Trust is based on a collaborative, self-improving school system. We have a duty to support all schools within our 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 fourth year of operation, the Trust continues to develop effective governance structures and has revisited and updated its vision in line with its aspirations for its pupils.

The Trust has a good reputation and all three schools were oversubscribed for Reception places in September 2019 and have waiting lists. All three schools held an Ofsted rating of Outstanding.

Joint continuing professional development 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 mixed across the three schools, with two schools performing well. One school performed less well, primarily due to changes in staffing, and support is in place along with an appropriate school development plan to address any issues.

The Trust continues to support other schools effectively both through its teaching school (TTSA) but also through successful Strategic School Improvement Fund (SSIF) bids. TTSA continued to lead the second year of the Maths SSIF project with successful outcomes for 90% of the schools involved. The National Leader of Education support provided by the CEO to a local school was successful and outcomes at KS2 were increased significantly. Additional funding for this school has been secured by the CEO to continue the support into the next academic year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

Oldway Primary School

End of Early Years Foundation Stage

| | National % | 2019 |
|-----|------------|------|
| GLD | 71.5 | 80 |

Phonics Screening

| | National % | 2019 |
|--------|------------|------|
| Year 1 | 82 | 83 |

Key Stage 1

| | National % | 2019 |
|---------|------------|------|
| Reading | 75 | 87 |
| Writing | 70 | 80 |
| Maths | 76 | 85 |

Cont.

Key Stage 2

| | National % | 2019 |
|------------------------------------|------------|------|
| Reading | 73 | 83 |
| Writing | 78 | 85 |
| Maths | 79 | 86 |
| Grammar, Punctuation & Spelling | 78 | 80 |
| Combined | 65 | 74 |

Roselands Primary School

End of Early Years Foundation Stage

| | National % | 2019 |
|-----|------------|------|
| GLD | 71.5 | 80 |

Phonics Screening

| | National | 2019 |
|--------|----------|------|
| Year 1 | 82 | 80 |

Key Stage 1

| | National | 2019 |
|---------|----------|------|
| Reading | 75 | 80 |
| Writing | 70 | 78 |
| Maths | 76 | 87 |

Key Stage 2

| | National | 2019 |
|---------------------------------|----------|------|
| Reading | 73 | 65 |
| Writing | 78 | 80 |
| Maths | 79 | 74 |
| Grammar, Punctuation & Spelling | 78 | 70 |
| Combined | 65 | 59 |

Shiphay Learning Academy

| | National % | 2019 |
|-----|------------|------|
| GLD | 71.5 | 68 |

Phonics Screening

| | National | 2019 |
|--------|----------|------|
| Year 1 | 82 | 80 |

Key Stage 1

| | National | 2019 |
|---------|----------|------|
| Reading | 75 | 80 |
| Writing | 70 | 70 |
| Maths | 76 | 80 |

Key Stage 2

| | National | 2019 |
|---------------------------------|----------|------|
| Reading | 73 | 74 |
| Writing | 78 | 92 |
| Maths | 79 | 72 |
| Grammar, Punctuation & Spelling | 78 | 79 |
| Combined | 65 | 67 |

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Quality of Teaching and Learning

- At least 95% of teaching across the schools 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)

Staffing

Staffing is relatively stable across both schools in the Trust, however, due to financial forecasting, it was decided that a restructure of senior staff was required at Shiphay Learning Academy (completed in July 2019). This is expected to result in significant savings and a new Head of School replaces the Headteacher with effect from 1st September 2019.

Centralised staffing of HR and Finance has had a positive impact on procurement and financial outcomes and processes have been further refined to ensure that the accounting officer has a clear understanding of the needs in each school as well as a clear overview of the position of the trust.

The installation of a centralised MIS system and creation of a trust lead administrator role continues to have 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 all schools in the trust and in the wider educational community, the Head of Teaching and Learning became Director of Education in the summer term of 2019, to align with roles in other multi-academy trusts. Her impact on outcomes for pupils is expected to be significant in the coming year.

All 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 2018/2019.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Other key performance indicators (excluding conversion balances) include:

| | 2019 | 2018 |
|--|-------------|-------------|
| Pupil capacity | 1380 | 1005 |
| Pupil numbers | 1485 | 987 |
| Total income per pupil excluding conversion | 4,638 | 4,382 |
| Total GAG income per pupil | 3,147 | 3,164 |
| GAG income ratio of total income excluding conversion | 67.8% | 72.2% |
| Total expenditure per pupil excluding depreciation and pension deficit | 4,486 | 4,206 |
| Staff costs per pupil | 3,874 | 3,701 |
| Staff costs as a % of GAG income | 123.1% | 117.0% |
| Staff costs as a % of total costs | 73.4% | 72.3% |
| Pupil teacher ratio (average head count) | 27.0 | 26.0 |
| Available reserves (excluding SSIF) | 301,922 | 247,673 |
| Available reserves per pupil | 203 | 251 |

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the 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 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The 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 Trust's accounting policies.

During the year ended 31 August 2019, the Trust received total income of £6,887,811 and incurred total expenditure of £7,840,356, including pension and depreciation, but excluding the income on conversion of Shiphay Learning Academy (£3,244,307). The excess of total expenditure over income for the year was £952,545.

At 31 August 2019 the net book value of fixed assets was £13,648,960 and movements in tangible fixed assets are shown in note 16 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The land, buildings and other assets were transferred to the 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 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 25 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 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 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.

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.

The reserves as reported in the accompanying accounts amounted to as at 31st August 2019:

GAG - £Nil
Unrestricted - £35,138
Designated - £50,000
Restricted – £254,916

Investment Policy

The 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 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the 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 Trust has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the 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 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 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 Trust 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 Trust 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 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 Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan.

These have been discussed by Trustees and include the financial risks to the 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 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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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, Shiphay - Outstanding. 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 vision statement will be launched in 2019-20 academic year. This will require consolidation by all three schools. It will be introduced to trust employees and parents in September 2019 by the CEO and will be reinforced by Heads of School.

Roselands School will be focusing on Reading outcomes at KS2. There will be a reading review in the early autumn term and an action plan will identify key areas for improvement alongside a rigorous monitoring schedule to include learning walks, pupil interviews, book scrutinies, lesson observations and standardised testing.

Oldway School will be investing CPD time in embedding Talk 4 Writing strategies to improve consistency of writing teaching across the school, and there will be a continued focus on raising outcomes of pupils in receipt of pupil premium, in particular the most able pupils, and their progress.

Shiphay Learning Academy will have a focus on Early Years provision. This is an area where their outcomes are currently below the national benchmark. They will see good practice at Oldway and Roselands schools and training will be provided for staff, in particular in the nursery, to support the development of early reading.

All three schools will be reviewing their curriculum. Together, supported by the CEO and Director of Education, the Heads of School will review the intent of the curriculum and develop a trust-wide intent. Each school will then work on how this intent is implemented in its own context, and the impact will be measured as part of the regular monitoring cycle.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on and signed on its behalf by:


Jamie Parffrey
Chair of Trustees

16/12/19

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

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 STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report. 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 | 6 | 6 |
| Matthew Redwood | 6 | 6 |
| Stewart Biddles | 6 | 6 |
| Josie Medforth | 4 | 6 |
| Paul Garside | 5 | 6 |
| Chris O'Connor | 6 | 6 |
| Simon Lee | 4 | 6 |
| Gary Hotine | 5 | 6 |
| Elaine Gill | 2 | 6 |
| Will Foulds | 6 | 6 |
| Claire Hepher | 1 | 1 |

The fourth 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 all schools within the Trust have achieved well both academically and in terms of staff, parent and pupil morale.

In the most recent year, 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. All 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 CEO position has been identified as an area for growth, and moving forward this position will be independent of any single school, but a post designed specifically for the development of the trust and betterment of all our schools

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.
- 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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- 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.

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

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Stewart Biddles | 4 | 4 |
| Matthew Redwood | 4 | 4 |
| Josie Medforth | 4 | 4 |
| Gary Hotine | 1 | 4 |

The Pay Committee is also 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 during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Paul Garside | 1 | 1 |
| Matthew Redwood | 1 | 1 |
| Simon Lee | 0 | 1 |

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the 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 use of benchmarking data where appropriate. The Accounting Officer for the 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.

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Thompson Jenner 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 internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on ^{16/12/14} 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 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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
Date: 16/12/19

**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 2019 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 2019 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 2018 to 2019 issued by the Education & 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.

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

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

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 required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for 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.

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

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

Responsibilities of trustees

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.

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.

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

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

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable 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
Century House
Nicholson Road
Torquay
TQ2 7TD

A handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive, flowing style. The word "Bishop" is written in a large, stylized font, followed by "Fleming" and "LLP" in a smaller, more standard cursive script.

Date: 19/12/19

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

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

In accordance with the terms of our engagement letter dated 04 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Riviera Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Riviera Education Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

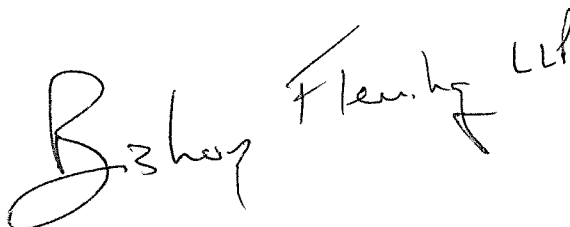
**RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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)

A handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive style, with "Bishop" and "Fleming" written in a larger, more prominent script, and "LLP" written in a smaller, simpler font to the right.

Bishop Fleming LLP

Century House
Nicholson Road
Torquay
TQ2 7TD

Date: 19/12/19

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transfers on conversion | | 55,338 | (1,007,550) | 4,196,519 | 3,244,307 | - |
| Other donations and capital grants | | 10,094 | 74,597 | 87,732 | 172,423 | 83,640 |
| Charitable activities | 4 | 346,800 | 5,796,076 | 1,036 | 6,143,912 | 4,064,614 |
| Teaching schools | | - | 350,459 | - | 350,459 | 40,000 |
| Other trading activities | | 215,355 | - | - | 215,355 | 132,800 |
| Investments | 7 | 5,662 | - | - | 5,662 | 3,633 |
| Total income | | 633,249 | 5,213,582 | 4,285,287 | 10,132,118 | 4,324,687 |
| Expenditure on: | | | | | | |
| Raising funds | | 89,556 | - | - | 89,556 | 2,743 |
| Charitable activities | 9 | 647,039 | 6,289,896 | 678,280 | 7,615,215 | 5,008,637 |
| Teaching schools | | - | 135,585 | - | 135,585 | 40,000 |
| Total expenditure | | 736,595 | 6,425,481 | 678,280 | 7,840,356 | 5,051,380 |
| Net (expenditure)/income | | (103,346) | (1,211,899) | 3,607,007 | 2,291,762 | (726,693) |
| Transfers between funds | 20 | (55,338) | (3,074) | 58,412 | - | - |
| Net movement in funds before other recognised gains/(losses) | | (158,684) | (1,214,973) | 3,665,419 | 2,291,762 | (726,693) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 25 | - | (792,000) | - | (792,000) | 567,000 |
| Net movement in funds | | (158,684) | (2,006,973) | 3,665,419 | 1,499,762 | (159,693) |

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|--|--|--|---------------------------------------|---------------------------------------|
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 243,822 | (1,788,111) | 10,035,898 | 8,491,609 | 8,651,302 |
| Net movement in funds | (158,684) | (2,006,973) | 3,665,419 | 1,499,762 | (159,693) |
| Total funds carried forward | 85,138 | (3,795,084) | 13,701,317 | 9,991,371 | 8,491,609 |

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

The notes on pages 36 to 65 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2019**

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 16 | 13,648,960 | 9,995,558 |
| | | <u>13,648,960</u> | <u>9,995,558</u> |
| Current assets | | | |
| Debtors | 17 | 186,103 | 164,850 |
| Cash at bank and in hand | | 714,489 | 759,258 |
| | | <u>900,592</u> | <u>924,108</u> |
| Creditors: amounts falling due within one year | 18 | (508,181) | (576,057) |
| Net current assets | | <u>392,411</u> | <u>348,051</u> |
| Total assets less current liabilities | | <u>14,041,371</u> | <u>10,343,609</u> |
| Net assets excluding pension liability | | <u>14,041,371</u> | <u>10,343,609</u> |
| Defined benefit pension scheme liability | 25 | (4,050,000) | (1,852,000) |
| Total net assets | | <u><u>9,991,371</u></u> | <u><u>8,491,609</u></u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 20 | 13,701,317 | 10,035,898 |
| Restricted income funds | 20 | 254,916 | 63,889 |
| | | <u>13,956,233</u> | <u>10,099,787</u> |
| Restricted funds excluding pension asset | 20 | 13,956,233 | 10,099,787 |
| Pension reserve | 20 | (4,050,000) | (1,852,000) |
| Total restricted funds | 20 | <u>9,906,233</u> | <u>8,247,787</u> |
| Unrestricted income funds | 20 | <u>85,138</u> | <u>243,822</u> |
| Total funds | | <u><u>9,991,371</u></u> | <u><u>8,491,609</u></u> |

The financial statements on pages 32 to 65 were approved by the Trustees, and authorised for issue on 16/12/19 and are signed on their behalf, by:


Jamie Parffrey
Chair of Trustees

The notes on pages 36 to 65 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 22 | 65,425 | 32,760 |
| Cash flows from investing activities | 23 | (110,194) | (1,830) |
| Change in cash and cash equivalents in the year | | (44,769) | 30,930 |
| Cash and cash equivalents at the beginning of the year | | 759,258 | 728,328 |
| Cash and cash equivalents at the end of the year | 24 | 714,489 | 759,258 |

The notes on pages 36 to 65 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Riviera Education Trust meets the definition of a public benefit entity under 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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. Accounting policies (continued)

1.3 INCOME

All incoming resources are recognised when the Trust 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 sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income provided to the Academy 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 has provided the goods and services.

• **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1. Accounting policies (continued)

1.4 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the Academy 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's educational operations, including support costs and those costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TANGIBLE FIXED ASSETS

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. 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 and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over its expected useful lives on the following basis:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 TANGIBLE FIXED ASSETS (continued)

| | |
|-------------------------|-------------------------|
| Freehold property | - 2% straight line |
| Furniture and equipment | - 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 and reclassified to freehold or leasehold land and buildings.

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 DEBTORS

Trade and other debtors with no state 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..

1.8 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.

1.9 LIABILITIES

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

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. . Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1. Accounting policies (continued)

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019. 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 2019**

3. Income from donations and capital grants

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | | | | |
| Transfer on conversion | 55,338 | 3,188,969 | 3,244,307 | - |
| Donations | 10,094 | 79,597 | 89,691 | 64,715 |
| Capital Grants | - | 82,732 | 82,732 | 18,925 |
| Total 2019 | <u>65,432</u> | <u>3,351,298</u> | <u>3,416,730</u> | <u>83,640</u> |
| Total 2018 | <u>5,706</u> | <u>77,934</u> | <u>83,640</u> | |

4. Income from charitable activities

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Education | 94,129 | 5,797,112 | 5,891,241 | 3,934,933 |
| Nursery | 252,671 | - | 252,671 | 129,682 |
| Total 2019 | <u>346,800</u> | <u>5,797,112</u> | <u>6,143,912</u> | <u>4,064,615</u> |
| Total 2018 | <u>172,410</u> | <u>3,892,205</u> | <u>4,064,615</u> | |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Funding for the Trust's education

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 4,672,799 | 4,672,799 | 3,122,856 |
| Other DfE/EFSA grants | - | 621,377 | 621,377 | 410,833 |
| | - | 5,294,176 | 5,294,176 | 3,533,689 |
| Other Government grants | | | | |
| High Needs | - | 206,727 | 206,727 | 99,221 |
| Other government grants: capital | - | 174,271 | 174,271 | 114,240 |
| Other government grants: capital | - | 1,036 | 1,036 | - |
| | - | 382,034 | 382,034 | 213,461 |
| Other funding | | | | |
| Internal catering income | 39,346 | 3,597 | 42,943 | 17,428 |
| Sales to students | 11,935 | - | 11,935 | 1,263 |
| Other | 42,848 | 117,305 | 160,153 | 169,092 |
| | 94,129 | 5,797,112 | 5,891,241 | 3,934,933 |
| Total 2018 | 42,728 | 3,892,205 | 3,934,933 | |

6. Income from other trading activities

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Lettings | 56,693 | 56,693 | 61,806 |
| Staff Catering | 1,716 | 1,716 | 1,805 |
| Fees received | 147,631 | 147,631 | 62,813 |
| Other | 9,315 | 9,315 | 6,376 |
| Income from other charitable activities | 252,671 | 252,671 | 129,682 |
| Total 2019 | 468,026 | 468,026 | 262,482 |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 5,662 | 5,662 | 3,633 |

8. Expenditure

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ | Total 2018 £ |
|--|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Expenditure on fundraising trading activities: | | | | | |
| Direct costs | - | - | 89,556 | 89,556 | 2,743 |
| Education: | | | | | |
| Direct costs | 4,646,033 | 483,943 | 311,171 | 5,441,147 | 3,448,100 |
| Allocated support costs | 893,194 | 381,757 | 707,895 | 1,982,846 | 1,458,182 |
| Nursery: | | | | | |
| Direct costs | 173,599 | - | 517 | 174,116 | 85,064 |
| Allocated support costs | 14,006 | - | 3,100 | 17,106 | 17,292 |
| Teaching school | 77,392 | - | 58,193 | 135,585 | 40,000 |
| Total 2019 | 5,804,224 | 865,700 | 1,170,432 | 7,840,356 | 5,051,381 |
| Total 2018 | 3,653,163 | 776,513 | 621,705 | 5,051,381 | |

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Education | 480,605 | 6,943,388 | 7,423,993 | 4,906,282 |
| Nursery | 166,434 | 24,788 | 191,222 | 102,355 |
| Total 2019 | <u>647,039</u> | <u>6,968,176</u> | <u>7,615,215</u> | <u>5,008,637</u> |
| Total 2018 | <u>196,251</u> | <u>4,812,386</u> | <u>5,008,637</u> | |

10. Analysis of expenditure by activities

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Education | 5,441,147 | 1,982,846 | 7,423,993 | 4,906,282 |
| Nursery | 174,116 | 17,106 | 191,222 | 102,356 |
| Total 2019 | <u>5,615,263</u> | <u>1,999,952</u> | <u>7,615,215</u> | <u>5,008,637</u> |
| Total 2018 | <u>3,533,164</u> | <u>1,475,474</u> | <u>5,008,638</u> | |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Education 2019 £ | Nursery 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------------------|---------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Pension income | 70,000 | - | 70,000 | 55,000 |
| Staff costs | 4,646,033 | 173,599 | 4,819,632 | 2,912,051 |
| Depreciation | 483,829 | - | 483,829 | 405,602 |
| Educational supplies | 127,370 | 517 | 127,887 | 89,278 |
| Staff development | 27,901 | - | 27,901 | 14,315 |
| Other costs | 86,014 | - | 86,014 | 56,918 |
| Total 2019 | <u>5,441,147</u> | <u>174,116</u> | <u>5,615,263</u> | <u>3,533,164</u> |
| Total 2018 | <u>3,448,100</u> | <u>85,064</u> | <u>3,533,164</u> | |

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Education | Nursery | Total | Total |
|---------------------------------------|------------------|----------------|-------------------------|------------------|
| | 2019 | 2019 | funds | funds |
| | £ | £ | 2019 | 2018 |
| | | | £ | £ |
| Staff costs | 893,194 | 14,006 | 907,200 | 702,513 |
| Depreciation | 194,451 | - | 194,451 | 184,100 |
| Other costs | 36,096 | - | 36,096 | 33,625 |
| Recruitment and support | 8,519 | 100 | 8,619 | 4,956 |
| Maintenance of premises and equipment | 103,176 | - | 103,176 | 71,013 |
| Cleaning | 29,224 | - | 29,224 | 20,493 |
| Rent and rates | 58,308 | - | 58,308 | 38,678 |
| Energy costs | 79,166 | 3,000 | 82,166 | 54,865 |
| Insurance | 34,847 | - | 34,847 | 27,588 |
| Security and transport | 21,841 | - | 21,841 | 17,455 |
| Catering | 194,088 | - | 194,088 | 138,135 |
| Technology costs | 54,475 | - | 54,475 | 9,926 |
| Office overheads | 60,627 | - | 60,627 | 44,298 |
| Legal and professional | 183,159 | - | 183,159 | 127,477 |
| Governance Costs | 31,675 | - | 31,675 | 352 |
| Total 2019 | <u>1,982,846</u> | <u>17,106</u> | <u>1,999,952</u> | <u>1,475,474</u> |
| Total 2018 | <u>1,458,182</u> | <u>17,292</u> | <u>1,475,474</u> | |

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

| | 2019 | 2018 |
|---------------------------------------|-------------------------|----------------|
| | £ | £ |
| Operating lease rentals | 4,838 | 10,572 |
| Depreciation of tangible fixed assets | 1,722,144 | 589,702 |
| Fees paid to auditors for: | | |
| - audit | 15,050 | 9,600 |
| - other services | 2,435 | 4,820 |
| | <u>1,744,467</u> | <u>614,694</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

| | 2019 £ | 2018 £ |
|---------------------------|-------------------------|-------------------------|
| Wages and salaries | 4,233,236 | 2,765,324 |
| Social security costs | 347,675 | 217,890 |
| Pension costs | 1,093,721 | 669,949 |
| | <u>5,674,632</u> | <u>3,653,163</u> |
| Staff restructuring costs | 129,592 | - |
| | <u><u>5,804,224</u></u> | <u><u>3,653,163</u></u> |

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £52,352 (2018: £Nil). Individually, the payments were £40,444, £519, £60, £8,329, £3,000 (2018: £Nil).

c. Staff numbers

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

| | 2019 No. | 2018 No. |
|-----------------------------|-------------|-------------|
| Teachers | 74 | 46 |
| Educational Support | 143 | 129 |
| Administration and Clerical | 23 | 13 |
| Management | 7 | 6 |
| | <u>247</u> | <u>194</u> |

The average headcount expressed as full-time equivalents was:

| | 2019 No. | 2018 No. |
|-----------------------------|-------------|-------------|
| Teachers | 59 | 38 |
| Educational Support | 81 | 63 |
| Administration and Clerical | 16 | 9 |
| Management | 7 | 6 |
| | <u>163</u> | <u>116</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Staff costs (continued)

d. Higher paid staff

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

| | 2019 No. | 2018 No. |
|--------------------------------|---------------------|-------------|
| In the band £90,001 - £100,000 | <u>2</u> | <u>1</u> |

e. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £434,512 (2018: £428,285).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 13 has not been included in the total benefits received by Key Management Personnel above.

13. Central services

The Trust 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 Trust 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:

| | 2019 £ | 2018 £ |
|--------------------------|-----------------------|----------------|
| Oldway Primary | 233,830 | 137,932 |
| Roselands Primary | 115,170 | 75,684 |
| Shiphay Learning Academy | 58,632 | - |
| Total | <u>407,632</u> | <u>213,616</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

S Biddles: Remuneration £95,000 - £100,000 (2018: £90,000 - £95,000), Employers pension contributions £Nil (2018: £Nil),

C O'Connor: Remuneration £55,000 - £60,000 (2018: £50,000 - £55,000), Employers pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000),

Elaine Gill: Remuneration £95,000 - £100,000 (2018: £90,000 - £95,000), Employers pension contributions £10,000 - £15,000 (2018: £Nil).

Other related party transactions involving the Trustees are set out in note 28.

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £586 were reimbursed or paid directly to 1 Trustee (2018 - £1,087 to 3 Trustees).

15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £22,102 (2018 - £21,801). The cost of this insurance is included in the total insurance cost.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------------|--------------------------|
| Cost or valuation | | | | | |
| At 1 September 2018 | 9,633,337 | 2,022,174 | 40,106 | - | 11,695,617 |
| Additions | 122,005 | 42,591 | 33,992 | - | 198,588 |
| Transfers intra group | 4,694,603 | 171,769 | 278,879 | 7,473 | 5,152,724 |
| Disposals | - | (24,120) | - | - | (24,120) |
| At 31 August 2019 | <u>14,449,945</u> | <u>2,212,414</u> | <u>352,977</u> | <u>7,473</u> | <u>17,022,809</u> |
| Depreciation | | | | | |
| At 1 September 2018 | 505,192 | 1,169,444 | 25,423 | - | 1,700,059 |
| Charge for the year | 257,901 | 407,399 | 12,982 | - | 678,282 |
| Transfers intra group | 565,069 | 169,276 | 277,810 | 7,473 | 1,019,628 |
| On disposals | - | (24,120) | - | - | (24,120) |
| At 31 August 2019 | <u>1,328,162</u> | <u>1,721,999</u> | <u>316,215</u> | <u>7,473</u> | <u>3,373,849</u> |
| Net book value | | | | | |
| At 31 August 2019 | <u><u>13,121,783</u></u> | <u><u>490,415</u></u> | <u><u>36,762</u></u> | <u><u>-</u></u> | <u><u>13,648,960</u></u> |
| At 31 August 2018 | <u><u>9,128,145</u></u> | <u><u>852,730</u></u> | <u><u>14,683</u></u> | <u><u>-</u></u> | <u><u>9,995,558</u></u> |

17. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|-----------------------|-----------------------|
| Due within one year | | |
| Other debtors | 270 | 244 |
| Prepayments and accrued income | 153,104 | 150,621 |
| VAT recoverable | 32,729 | 13,985 |
| | <u><u>186,103</u></u> | <u><u>164,850</u></u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Other taxation and social security | 118,757 | 53,210 |
| Other creditors | 92,487 | 298,412 |
| Accruals and deferred income | 296,937 | 224,435 |
| | <u>508,181</u> | <u>576,057</u> |
| | 2019 £ | 2018 £ |
| Deferred income at 1 September 2018 | 144,472 | 123,248 |
| Resources deferred during the year | 157,051 | 144,472 |
| Amounts released from previous periods | (144,472) | (123,248) |
| | <u>157,051</u> | <u>144,472</u> |

At the balance sheet date the Academy Trust was holding funds received in advance that related to funding received for Universal Infant Free School Meals, Breakfast and After School Club sessions and Music income relating to the 19/20 year.

19. Financial instruments

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | 714,489 | 745,028 |
| Financial assets that are debt instruments measured at amortised cost | 270 | 14,230 |
| | <u>714,759</u> | <u>759,258</u> |
| | 2019 £ | 2018 £ |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (267,003) | (378,375) |

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

Financial assets that are debt instruments measured at amortised cost comprise of VAT recoverable.

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

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|-----------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Staff absence | 50,000 | - | - | - | - | 50,000 |
| MAT expansion | 30,000 | - | (26,652) | (3,348) | - | - |
| | <u>80,000</u> | <u>-</u> | <u>(26,652)</u> | <u>(3,348)</u> | <u>-</u> | <u>50,000</u> |
| General funds | | | | | | |
| General funds | 163,822 | 577,911 | (709,943) | 3,348 | - | 35,138 |
| Unrestricted fixed assets | - | 55,338 | - | (55,338) | - | - |
| | <u>163,822</u> | <u>633,249</u> | <u>(709,943)</u> | <u>(51,990)</u> | <u>-</u> | <u>35,138</u> |
| Total Unrestricted funds | <u>243,822</u> | <u>633,249</u> | <u>(736,595)</u> | <u>(55,338)</u> | <u>-</u> | <u>85,138</u> |
| Restricted general funds | | | | | | |
| GAG | - | 4,614,178 | (4,611,104) | (3,074) | - | - |
| Pupil premium | - | 373,586 | (373,586) | - | - | - |
| UIFSM | - | 201,571 | (201,571) | - | - | - |
| Rates | - | 39,794 | (39,794) | - | - | - |
| High Needs | - | 206,727 | (206,727) | - | - | - |
| PE Grant | - | 59,810 | (36,767) | - | - | 23,043 |
| Other restricted income | - | 83,107 | (83,107) | - | - | - |
| Educational visits | 911 | 67,578 | (68,489) | - | - | - |
| Donations | 2,940 | 4,382 | (6,323) | - | - | 999 |
| Teaching School | - | 350,459 | (135,585) | - | - | 214,874 |
| NQT | - | 24,000 | (24,000) | - | - | - |
| Schools Direct | - | 34,432 | (34,432) | - | - | - |
| Strategic School Improvement Fund | 60,038 | 16,000 | (60,038) | - | - | 16,000 |
| Teachers's pay grant | - | 44,958 | (44,958) | - | - | - |
| Pension reserve | (1,852,000) | (907,000) | (499,000) | - | (792,000) | (4,050,000) |
| | <u>(1,788,111)</u> | <u>5,213,582</u> | <u>(6,425,481)</u> | <u>(3,074)</u> | <u>(792,000)</u> | <u>(3,795,084)</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|--|--|-------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Restricted fixed asset funds | | | | | | |
| Fixed assets transferred on conversion | 9,945,499 | 4,196,519 | (653,872) | (63,424) | - | 13,424,722 |
| Fixed assets purchased from GAG and other restricted funds | 12,583 | - | (5,413) | 3,074 | - | 10,244 |
| DfE/ESFA capital grants | 73,321 | 82,732 | (16,030) | 6,628 | - | 146,651 |
| Donated assets | 458 | - | (458) | - | - | - |
| Other donations | 4,037 | 6,036 | (1,749) | - | - | 8,324 |
| Capital improvement fund | - | - | (758) | 112,134 | - | 111,376 |
| | <u>10,035,898</u> | <u>4,285,287</u> | <u>(678,280)</u> | <u>58,412</u> | <u>-</u> | <u>13,701,317</u> |
| Total Restricted funds | <u>8,247,787</u> | <u>9,498,869</u> | <u>(7,103,761)</u> | <u>55,338</u> | <u>(792,000)</u> | <u>9,906,233</u> |
| Total funds | <u>8,491,609</u> | <u>10,132,118</u> | <u>(7,840,356)</u> | <u>-</u> | <u>(792,000)</u> | <u>9,991,371</u> |

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 use 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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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 represent 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 represent 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.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 £ | 2018 £ |
|--|-------------------------|-------------------------|
| Oldway Primary | 211,047 | 170,536 |
| Roselands Primary | 252,132 | 137,175 |
| Shiphay Learning Academy | (123,125) | - |
| Total before fixed asset funds and pension reserve | <u>340,054</u> | <u>307,711</u> |
| Restricted fixed asset fund | 13,701,317 | 10,035,898 |
| Pension reserve | (4,050,000) | (1,852,000) |
| Total | <u><u>9,991,371</u></u> | <u><u>8,491,609</u></u> |

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

| | Deficit £ |
|--------------------------|-------------------------|
| Shiphay Learning Academy | <u><u>(123,125)</u></u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

Included within funds at 31 August 2019 is carried forward reserves in relation to the teaching school. The carried forward amount is included within Oldway Primary's balance.

The Trust is taking the following action to return the academy to surplus:

During the academic year, a restructure of kitchen, premises, teaching support and senior leadership staffing took place which reduced ongoing staffing budgets significantly. However, Trust reserves were impacted by redundancy payments resulting from this restructure.

A realistic budget for 19/20 was set by the new Head of School, supported by the finance team and Chief Executive. The budget was set to be in surplus by the end of the academic year, and is currently on track to achieve this.

Total cost analysis by academy

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 depreciation £ | Total 2019 £ | Total 2018 £ |
|--|---|--|---------------------------------------|---|-----------------------------|-----------------------------|
| Oldway Primary (including central services) | 2,149,734 | 516,494 | 69,641 | 606,690 | 3,342,559 | 2,799,743 |
| Roselands Primary | 924,179 | 180,473 | 35,576 | 175,351 | 1,315,579 | 1,353,475 |
| Shiphay Learning Academy | 1,389,499 | 261,455 | 22,670 | 331,314 | 2,004,938 | - |
| Trust | <u>4,463,412</u> | <u>958,422</u> | <u>127,887</u> | <u>1,113,355</u> | <u>6,663,076</u> | <u>4,153,218</u> |

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

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

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|-----------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Staff absence | - | - | - | 50,000 | - | 50,000 |
| MAT expansion | - | - | - | 30,000 | - | 30,000 |
| | - | - | - | 80,000 | - | 80,000 |
| General funds | | | | | | |
| General funds | 155,109 | 315,018 | (188,752) | (117,553) | - | 163,822 |
| Total Unrestricted funds | 155,109 | 315,018 | (188,752) | (37,553) | - | 243,822 |
| Restricted general funds | | | | | | |
| GAG | - | 3,131,927 | (3,169,480) | - | - | - |
| 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) |
| | (2,106,445) | 3,986,707 | (4,272,926) | - | 567,000 | (1,788,111) |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|--|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| 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>-</u> | <u>567,000</u> | <u>8,247,787</u> |
| Total funds | <u>8,651,302</u> | <u>4,324,687</u> | <u>(5,051,380)</u> | <u>(37,553)</u> | <u>567,000</u> | <u>8,491,609</u> |

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 13,648,960 | 13,648,960 |
| Current assets | 85,138 | 763,097 | 52,357 | 900,592 |
| Creditors due within one year | - | (508,181) | - | (508,181) |
| Provisions for liabilities and charges | - | (4,050,000) | - | (4,050,000) |
| Total | <u>85,138</u> | <u>(3,795,084)</u> | <u>13,701,317</u> | <u>9,991,371</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Net income/(expenditure) for the year (as per Statement of financial activities) | 2,291,762 | (726,693) |
| Adjustments for: | | |
| Depreciation | 678,282 | 589,702 |
| Capital grants from DfE and other capital income | (82,732) | (18,925) |
| Interest receivable | (5,662) | (3,633) |
| Defined benefit pension scheme cost less contributions payable | 429,000 | 255,000 |
| Defined benefit pension scheme finance cost | 70,000 | 55,000 |
| Increase in debtors | (21,253) | (90,572) |
| Decrease in creditors | (67,876) | (27,119) |
| Transfer in of school | (3,226,096) | - |
| Net cash provided by operating activities | 65,425 | 32,760 |

23. Cash flows from investing activities

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Dividends, interest and rents from investments | 5,662 | 3,633 |
| Purchase of tangible fixed assets | (198,588) | (24,388) |
| Capital grants from DfE Group | 82,732 | 18,925 |
| Net cash used in investing activities | (110,194) | (1,830) |

24. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Cash in hand | 123,971 | 18,660 |
| Notice deposits (less than 3 months) | 590,518 | 740,598 |
| Total cash and cash equivalents | 714,489 | 759,258 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £51,185 were payable to the schemes at 31 August 2019 (2018 - £48,029) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £579,829 (2018 - £386,245).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £385,000 (2018 - £241,000), of which employer's contributions totalled £295,000 (2018 - £190,000) and employees' contributions totalled £ 90,000 (2018 - £51,000). The agreed contribution rates for future years are 15.8 per cent for employers and 5.5 - 12.5 per cent 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

| | 2019 | 2018 |
|--|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.70 | 3.80 |
| Rate of increase for pensions in payment/inflation | 2.20 | 2.30 |
| Discount rate for scheme liabilities | 1.90 | 2.65 |

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

| | 2019 | 2018 |
|-----------------------------|-------------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 22.5 | 23.5 |
| Females | 24.4 | 25.6 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.2 | 25.8 |
| Females | 26.2 | 28.0 |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Pension commitments (continued)

Sensitivity analysis

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Discount rate +0.1% | (194,000) | (97,000) |
| Discount rate -0.1% | 200,000 | 100,000 |
| Mortality assumption - 1 year increase | 280,000 | 122,000 |
| Mortality assumption - 1 year decrease | (270,000) | (118,000) |
| CPI rate +0.1% | 173,000 | 83,000 |
| CPI rate -0.1% | (168,000) | (81,000) |

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

| | At 31 August 2019 £ | At 31 August 2018 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 2,136,000 | 1,190,000 |
| Gilts | 124,000 | 60,000 |
| Bonds | 65,000 | 38,000 |
| Property | 303,000 | 175,000 |
| Cash | 46,000 | 30,000 |
| Other assets | 798,000 | 446,000 |
| Total market value of assets | 3,472,000 | 1,939,000 |

The actual return on scheme assets was £141,000 (2018 - £106,000).

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

| | 2019 £ | 2018 £ |
|---|--------------------|------------------|
| Current service cost | (619,000) | (407,000) |
| Past service cost | (105,000) | (38,000) |
| Interest income | 83,000 | 43,000 |
| Interest cost | (153,000) | (98,000) |
| Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement | (907,000) | - |
| Total amount recognised in the Statement of Financial Activities | (1,701,000) | (500,000) |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Pension commitments (continued)

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

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| At 1 September | 3,791,000 | 3,695,000 |
| Current service cost | 619,000 | 407,000 |
| Interest cost | 153,000 | 98,000 |
| Employee contributions | 90,000 | 51,000 |
| Actuarial losses/(gains) | 849,000 | (505,000) |
| Benefits paid | (64,000) | 7,000 |
| Past service costs | 105,000 | 38,000 |
| Liabilities assumed / (extinguished) on settlements | 1,979,000 | - |
| | <u>7,522,000</u> | <u>3,791,000</u> |
| At 31 August | 7,522,000 | 3,791,000 |

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

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|------------------|
| At 1 September | 1,939,000 | 1,586,000 |
| Interest income | 84,000 | 44,000 |
| Actuarial gains | 57,000 | 62,000 |
| Employer contributions | 295,000 | 190,000 |
| Employee contributions | 90,000 | 51,000 |
| Benefits paid | (64,000) | 7,000 |
| Administration expenses | (1,000) | (1,000) |
| Settlement prices received / (paid) | 1,072,000 | - |
| | <u>3,472,000</u> | <u>1,939,000</u> |
| At 31 August | 3,472,000 | 1,939,000 |

26. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| Not later than 1 year | 3,338 | 3,854 |
| Later than 1 year and not later than 5 years | 1,500 | 1,838 |
| | <u>4,838</u> | <u>5,692</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. 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.

28. Related party transactions

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

The following related party transactions took place in the year:

C Foulds, spouse of Trustee W Foulds, was employed by the Academy Trust. Remuneration in the range of £15,000-£20,000 and employer's pension contributions in the range of £0-£5,000 was paid through payroll in the year.

29. Transfer of existing academies into the trust

Shiphay Learning Academy

| | Value reported by transferring trust £ | Transfer in recognised £ |
|---------------------------------------|---|---|
| Tangible fixed assets | | |
| Long-term leasehold property | 4,129,533 | 4,129,533 |
| Furniture and equipment | 2,493 | 2,493 |
| Computer equipment | 1,069 | 1,069 |
| Current assets | | |
| Debtors due within one year | 243,539 | 243,539 |
| Cash at bank and in hand | 3,608 | 3,608 |
| Liabilities | | |
| Creditors due within one year | (228,935) | (228,935) |
| Pensions | | |
| Pensions - pension scheme liabilities | (907,000) | (907,000) |
| Net assets | <u>3,244,307</u> | <u>3,244,307</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

30. Teaching school trading account

| | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|----------------|-----------------------|---------------|-----------------|
| Income | | | | |
| Direct income | | | | |
| Grant income | 40,000 | | 40,000 | |
| Membership income | 85,923 | | - | |
| SSIF | 3,570 | | - | |
| Other | 23,858 | | - | |
| Total direct income | <u>153,351</u> | | <u>40,000</u> | |
| Other income | | | | |
| Funds transferred in | 197,108 | | - | |
| Total income | | 350,459 | | 40,000 |
| Expenditure | | | | |
| Direct expenditure | | | | |
| Staff costs | 77,392 | | 38,598 | |
| Other expenditure | | | | |
| Resources | 58,193 | | 1,402 | |
| Total expenditure | | 135,585 | | 40,000 |
| Surplus from all sources | | 214,874 | | - |
| Teaching school balances at 31 August 2019 | | <u><u>214,874</u></u> | | <u><u>-</u></u> |

