

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 26
Independent reporting accountant's report on regularity	27 - 28
Statement of financial activities incorporating income and expenditure account	29 - 30
Balance sheet	31 - 32
Statement of cash flows	33
Notes to the financial statements	34 - 63

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jamie Parffrey Royston Seaward (appointed 30 March 2021) Susan Apps Laurence Frewin
Trustees	Jamie Parffrey, Chair ³ Stewart Biddles, CEO and Accounting Officer ^{1,2,3} Gary Hotine (resigned 29 January 2021) ¹ Will Foulds ¹ Paul Garside ² Josie Medforth ² Matthew Redwood ^{1,2,3} Timothy Wickson (appointed 26 March 2021) ¹ 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	Stewart Biddles, CEO and Headteacher Julie Woodall, Interim Director of Finance Lee Vallance, Director of Finance (Appointed 1 November 2021) Claire Shiers, Director of Finance (Resigned 1 July 2021) Clare Foulds, Director of HR Debbie Weible, Director of Education
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Bankers	Lloyds Bank 2 Palace Avenue Paignton TQ3 3ER
Solicitors	PHP Law 6 Atlantic Building Queen Anne's Battery Plymouth PL4 0LP

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 primary academies in Torbay. Its academies have a combined pupil capacity of 1,467 and had a roll of 1,485 in the school census of 7th October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Riviera Education Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Riviera Education Trust (RET)

Details of the Trustees who served throughout the year, and to the date the accounts are approved, are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10. The Trust from 1.9.2018 is insured through the Department for Education, Risk Protection arrangement offering unlimited professional indemnity.

Method of recruitment and appointment or election of Trustees

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

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

- No fewer than 3 Trustees appointed under article 50: appointed by the Members by ordinary resolution, for their skills, knowledge and experience.
- Up to 3 Trustees appointed under article 58: co-opted by Trustees (who themselves have not been co-opted) based on their skills, knowledge and experience.

Trustees are appointed for a four year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy Trust has developed a Trustee Recruitment, Induction and Training process.

Recruitment is matched with skills analysis to identify the skills that will be beneficial to the Academy Trust.

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

A Trustees' strategy day is organised each year which includes training sessions to ensure the Trustees are updated on relevant developments impacting on their roles and responsibilities and also to facilitate engagement in a Trust self assessment / self evaluation process.

The Trust has had to react with flexibility during the Covid-19 pandemic and respond to lockdown pressures. Any Trustee induction during the year was adapted to make use of virtual contact wherever possible.

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 Head of School, Chief Financial Officer (CFO) 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 all 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 Head of School, Head of Teaching and Learning, Teaching School Lead and HR Directors and CFO of the Trust. The Trust Business team also meet weekly with the CEO. This team comprises: Operations Manager, CFO, HR Director and Senior Administrator.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

The CEO is the Accounting Officer.

The trustees are responsible for the appointment of the Accounting Officer, the Chief Financial Officer, Heads of School and Deputy Heads.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing, 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 in respect of their role as a Trustee.

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

A process has been established specifically for the setting of CEO pay and this relates directly to STPCD guidance on the setting of headteacher pay by groups size, in this the MAT is seen as a cumulative entity and the group size is based upon total number of pupils. Increments are related to performance. The CFO, HR Director, Director of Education and Heads of School pay is set in line with NJC evaluation or STPCD, whichever is relevant to their role.

Confederation of Schools Trusts benchmarking of executive pay (October 21) demonstrates that the Chief Executives' pay falls between the lowest decile and lowest quartile.

Trade union facility time

Jill Christian	1
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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

Provide the total cost of facility time	450
Provide the total pay bill	5,903,299
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0%

Paid trade union activities – 0%

Related Parties and other Connected Charities and Organisations

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

During this year, the trust ran a Teaching School Alliance (Oldway Primary School was the designated teaching school). This involves working with the majority of Torbay schools.

As of September 2021, all teaching schools nationally have been de-designated. These have been streamlined to a smaller number of Teaching School Hubs. The Trust is a strategic partner in our local teaching school hub (Kingsbridge Teaching School Hub). In turn the hub has developed a wider partnership with the other teaching school hub in Devon to create South West Institute for Teaching (SWIFT). This partnership ensures equity of opportunity and access to high quality professional development for all schools within Devon.

One of our roles within the partnership is to lead on the **Appropriate Body** status of the Kingsbridge Hub which involves managing and supporting the process of teachers new to the profession (Early Careers Teachers, ECTs).

The CEO of the trust holds a director position at Leading Schools South West, a not for profit education company, providing National Professional Qualifications for teachers (regulated by DfE).

Oldway School Fundraisers (OSF), Friends of Shiphay School (FOSS) and Roselands Parents and Staff Association (PSA) are made up of parents and staff who fundraise separately and donate funds towards assets and school trips. Their funds are held independently and separate from the Academies assets. Their continued support during the Covid pandemic enabled additional IT resources and facilities to be purchased for the support and wellbeing of our pupils.

OBJECTIVES AND ACTIVITIES

Objects, Aims and Activities

The principal object and activity of the Academy Trust is to provide education for the public benefit.

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

**RIVIERA EDUCATION TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Outcomes for Pupils					
<p>Aims:</p> <ul style="list-style-type: none"> For attainment and progress to be above national expectations for all pupil groups in all schools An aligned curriculum intent drives the implementation of curriculum across the trust Pupil wellbeing and pride in their school is evident in all schools Trust systems support school leaders in managing children with challenging behaviours and PSHE curriculum supports pupils in making appropriate choices Pupils are seen to, and do, make a positive contribution to their local society 					
Action to be taken	Person responsible	Resources and costs	Time scale	Success criteria	Monitoring arrangements
<p>Headteachers have appropriate, challenging and clear targets set in relation to pupil outcomes School development plans include SMART targets around pupils achievements HoS attend school progress meetings termly to review standards</p> <p>Trust dashboard is completed termly and shared with trustees School reviews are carried out by CEO / DoE where concerns are raised through data or local intelligence, e.g. reading and progress at Roselands Primary School</p> <p>DoE to support trust subject teams and HoS in ensuring progression of knowledge and skills is clear in each curriculum area and implementation is monitored.</p> <p>Systems developed to support pastoral leads across the trust to share expertise, support each other and develop practice.</p> <p>Processes established for consideration of managed moves across the trust.</p> <p>Civic award introduced in schools across trust.</p>	<p>CEO and DoE HoS</p> <p>CEO / DoE / HoS</p> <p>CEO / DoE / HoS</p> <p>DoE</p> <p>DoE</p> <p>CEO / HoS</p> <p>HoS</p>	<p>Time</p> <p>Time</p> <p>Time</p> <p>Time</p> <p>Time</p> <p>Time</p>	<p>October 19</p> <p>November 19 and termly thereafter</p> <p>Termly</p> <p>Sep 19 ongoing</p> <p>Sep 19 ongoing</p> <p>January 20</p> <p>November 19</p>	<p>Early Years GLD (Good Level of Development) to be at least 80% in each school Phonics results to be 90% or above in each school at the end of Year 1 KS1 outcomes – 80% of children at the expected standard in Reading, Writing and Maths Year 4 outcomes – Multiplication check results to be above national outcomes (new measure and baseline not known) Year 6 outcomes – Progress to be positive in all subjects, Attainment to be 80% or above at expected standard in Reading, Writing and Maths</p> <p>Trustees have up to date relevant data with which to hold the CEO to account</p> <p>At least 80% of children are attaining at the expected standard in all subjects across the curriculum</p> <p>Behaviour incidents are reduced. Fixed term exclusions are reduced and permanent exclusions are zero.</p> <p>Pupils achieve the civic award and profile of the trust is raised among the local community. Children have a positive impact upon the society beyond the school gates as evidenced by parent surveys, community letters and events</p>	<p>Standards board to monitor progress toward objectives and report back to trustees.</p> <p>Trustees, CEO, DoE and LSB members to be assessors</p>
Leadership and Governance					
<p>Aims:</p> <ul style="list-style-type: none"> Secure the vision of the trust in all of our schools with staff, governors, parents and children Align the intent of curriculum in all schools with the vision of the trust Ensure the policies and processes of the trust are appropriate and adhered to in all schools Develop a clear framework for governance at local school level that supports trustees in holding the CEO to account Support school leaders at all levels in developing cross-trust teams, including non-education teams, i.e. premises, finance, IT 					
Action to be taken	Person responsible	Resources and costs	Time scale	Success criteria	Monitoring arrangements
<p>INSET for all schools together to establish vision among staff Communication of vision to all stakeholders through newsletters, assemblies, common stationery / emails (reflecting vision statement), website, local news Trust over-arching curriculum intent developed by CEO, DoE, Heads of School (HoS) Subject curriculum intent aligns with and reflects over-arching intent, developed by subject leads supported by DoE</p> <p>All statutory policies are trust-wide (where appropriate) and stored in a single location. Communicated by HoS to all staff Websites are compliant and policies are accessible through this medium</p>	<p>CEO / HoS</p> <p>CEO / DoE / HoS</p> <p>Clerk / CEO / HoS</p> <p>CoT / CEO / Clerk</p>	<p>Time</p> <p>Time</p> <p>Additional hours for clerk / time</p> <p>Time</p>	<p>Sep</p> <p>Ongoing, completed by end of year, but revisited annually</p> <p>Autumn 1</p> <p>Autumn</p>	<p>Staff can articulate the trust vision and know what this means in their context.</p> <p>All staff are clear about the intent behind the school curriculum and have a clear understanding of the intent behind individual subjects</p> <p>There is a clear policy framework that supports the trust in being compliant with legislation. All staff have access to and apply trust wide policies. Policies are not duplicated</p> <p>Trustees are fully informed and able to take decisions based on up to date knowledge and</p>	<p>Governors and trustees during visits</p> <p>Learning walks - CEO / DoE</p> <p>Trustees / LSB / compliance checks by</p>

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

<p>Ensure information sharing mechanisms are in place between each level of governance within the trust Ensure statutory roles are clearly defined at each level of governance</p> <p>DoE to facilitate and lead meetings for trust education leads at central office CEO to establish and empower non-educational trust teams in order that finance, HR, premises and ICT across the trust are most effective and understood by all</p>	<p>DoE</p> <p>CEO</p>	<p>Time / cover costs</p> <p>Time</p>	<p>reviewed termly</p> <p>Ongoing</p> <p>Sep - ongoing</p>	<p>information. Responsibilities are delegated appropriately</p> <p>Expertise in subject knowledge is enhanced and distributed across the schools. All schools have improved academic outcomes</p> <p>Actions directed by non-education teams are followed by all. HoS direct staff to appropriate teams. Business processes are followed by all staff</p>	<p>CEO</p> <p>Trustees to review at board meetings</p> <p>CEO through learning walks, interviews with staff</p>
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In the past academic year, national measures of academic progress were suspended. Only phonics data for Year Two pupils was collated. This data showed that all schools in the trust performed at least in line with national benchmarks.

The trust arranged for the local authority to collect data* across each key phase and produce a regional average. In all the constituent academies, attainment was at least in line if not above regional data in the majority of areas.

The global pandemic and closure of schools to some pupils had an adverse impact on the progress and attainment of disadvantaged pupils nationally, and this was also the case in Riviera Education Trust.

*Assessment data was collected for Early Years, Year Two phonics, Key Stage One and Key Stage Two, in Reading, Writing and Mathematics.

All schools continued to develop their curriculum offer and these are published on the individual schools' websites.

All schools within the trust retain a Good or Outstanding Ofsted grading.

The trust is proud of its commitment to home learning during the academic year. Diverting resources to ensure every child had access to a compatible digital device and appropriate broadband to access online teaching and learning.

Parent surveys reinforced the success of the trust's strategy with overwhelmingly positive feedback. The trust's commitment to high standards of risk assessment, cleaning and hygiene, resulted in low numbers of bubble closures in comparison with other local schools. This is in spite of the schools being open to between 30% and 50% capacity due to the high numbers of vulnerable and key worker children who were eligible to be taught on site. Attendance data demonstrates that this Academy Trusts attendance was above the national average across the school year.

Public Benefit

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

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key Performance Indicators

Green – fully achieving

No.	Key performance indicator (KPI)	RAG rating	Explanation for the rating
1	All schools to maintain or be on track to receive Outstanding OfSTED rating	Green	All schools providing a solidly good level of education with many outstanding features. All schools currently hold a good or outstanding Ofsted grade
2	Budgets set with 5% reserve	Green	The budget carry forward for 20/21 is above the target reserve of 5% of GAG, and the forecast position for 21/22 will be above the target.
3	EYFS results above national in all schools	Green	Outcomes high in comparison with regional data. No national data for this year
4	Phonics results to be at or above 90% in Year 1 across all schools	Amber	Improvements made in each school against last years' results shows our strategy is having a positive impact but there has been no Y1 phonics screening.
5	KS1 and 2 results above national in all subjects in all schools including disadvantaged groups	Amber	There have been no SATS this year. We have local data and attainment shows our schools to be above the local averages.
6	Risk register and Asset Management Plan in place to support spending decisions	Green	These documents are in place and are constantly evolving. The next phase is to ensure that these inform spending more clearly at trust and school level.

1. Oldway and Shiphay are due to be inspected in the next academic year as the last inspections were 2013 and 2007 respectively. All of our schools would be judged as solidly 'Good' at least based upon current performance.
2. The impact of COVID on budgets hampered progress toward this target with additional cleaning materials, staffing hours, ICT provision and cover for sickness all contributing to a greater than predicted in-year spend in these areas

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Schools have exceeded local outcomes in most areas, but there are key identified areas for further improvement, most notably progress from KS1 -KS2. Local data coverage is 65% of schools.

Phonics results are lower than in a 'normal' year.

4. Year 1 children have missed two terms out of 6 in their education and this has impacted, however we expect results to be favourable in comparison to national when the Y2 screening occurs in November. The 90% target will stand for the next academic year and schools will be measured against this.

5. The Year 2 screening from Nov 20 showed all schools at least in line with national outcomes.

See point 3. The disadvantaged pupil gap has not improved. This is our key priority for the coming academic year. This is an outcome that is reflected nationally and made more challenging by the pandemic.

6. The risk register and the Asset Management Plan continues to be developed and improved thanks to trustee involvement and expertise. These documents have facilitated a realistic maintenance, replacement and repair budget to be set that reflects the needs of the schools.

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, reserves of £504,245 were 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 2020/21 (0.01% change)

Other key performance indicators include:

	2021	2020
Pupil capacity	1,365	1,365
Pupil numbers	1,457	1,459
Total income per pupil excluding conversion	5,336	5,347
Total GAG income per pupil	3,559	3,340
GAG income ratio of total income excluding conversion	66.7%	62.5%
Total expenditure per pupil excluding depreciation and pension deficit adjustments	4,967	4,646
Staff costs per pupil	4,085	3,892
Staff costs as a % of GAG income	114.8%	121.3%
Staff costs as a % of total costs	82.2%	75.3%
Pupil teacher ratio (average head count)	22.8	26.5
Available reserves (excluding SSIF)	504,245	365,732
Available reserves per pupil	346	251

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The global pandemic made this one of the most challenging years for the trust, both academically and financially with additional cleaning materials, staffing hours, ICT provision and cover for sickness all contributed to a greater than predicted in-year spend in these areas co incident with a decrease in the facility earning potential from lettings.

Government additional funding, for example Covid catch up funding, and the spending of Trust funds directly on combatting the limiting effects of home schooling, through enhanced IT provision and increasing numbers of pupils in school learning; impacted positively upon the trust achieving its objectives.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. **The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income.** Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

The vast majority of staff are mentally and physically well, but the constant change of direction from government and adaptation to staffing as illness and self-isolation take effect, take their toll and staff resilience is wearing. To counteract this, all schools have a staff wellbeing charter and staff all have access to a counselling service if required. Workload is monitored regularly.

FINANCIAL REVIEW

Financial review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2021, the Academy Trust received total income of £7,774,303 and incurred total expenditure of £8,204,601. The excess of expenditure over total income for the year was £430,298.

At 31 August 2021 the net book value of fixed assets was £13,512,533 of which land and buildings is the significant proportion. Movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy Trust upon conversion. The valuation of the land and buildings assets in the previous year's accounts were based upon professional valuations made at 31 March 2016.

The Academy 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 27 to the financial statements.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Reserves Policy

The Trustees will review the reserve levels of the Academy Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review including 3-year budgets, projecting funding, income and expenditure. The Trustee Board have identified the need to plan to meet the future funding available and for capital investment and the Trust set budgets for 2021/22 well within the funding available.

The Trustees have agreed a reserve level target of 5% of GAG funding, to enable it to manage any unforeseen changes that may arise. Reserves above this target level are only held where prudent to do so, to save for specific projects and where by doing so does not impact on the education of the incumbent cohort.

As at 31 August 2021, The Trust held the following reserve levels (excluding pension and fixed assets):

	20/21	19/20
GAG	£0	£0
Unrestricted	£486,950	£168,740
Restricted	£17,295	£200,409

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.

Investment Policy

Due to the timing of receipt of funding and the reserves held as contingency and/or for significant project funding the Trust will hold cash balances in excess of short-term demands. The Trust aims to maintain its **cash balances to provide for the day-to-day working capital requirements whilst protecting the real long term** balances of any reserves against inflation. These reserve balances may only be invested inline with the Trust policy which is approved by the Directors and currently only allows for short term bank investment accounts to take advantage of any higher interest rates.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the risks and uncertainties together with the operating, financial and compliance controls that have been implemented to mitigate those risks. This forms part of our risk planning process and evaluation.

Those principal risks and uncertainties, looking forward, facing the Academy are

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Staffing due to absence and cleaning costs, as well as reduction in income are all increased risks due to COVID 19, however our use of support staff and remote learning is mitigating against many staffing costs. Increased cleaning looks set to continue into 2022 and it is unlikely that income from lettings will fully recover until into 2022.

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

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed. Due to the national pandemic, much learning was lost over the 2020-21 academic year. There is a possibility that this will impact upon results of assessments moving into the future. A structured monitoring and support programme for staff, combined with targeted use of catch up and recovery funding will mitigate this.

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. Safeguarding issues will be greater due to the pandemic. Schools have all received training and safeguarding audits show our processes to be robust.

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

Fraud and mismanagement of funds - The Academy has appointed Internal audit – Thompson Jenner (Exeter) to carry out checks on financial systems and records as required by the Academy Trust Handbook (ATH). 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 upgraded its Financial software to an Access database facilitating advanced reporting and monitoring methodologies.

Covid-19 – The ongoing nature of the pandemic has raised challenges throughout the year, and continues to cause uncertainty into the current academic year. The Trust has adapted to the challenges it has faced and continues to monitor the situation to ensure it continues to adapt to.

The Academy Trust has continued to strengthen its risk management process over the last 2 years by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis. The Academy 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 Academy Trust. The register and plan are being regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remain, 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, increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), 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

FUNDRAISING

Each trust academy has its own parent fundraising body. These are registered charities in their own right, and operate independently of the trust. The trust ensures that these organisations work within the frameworks provided and that any funds raised are directed towards the activities for which they were intended.

STREAMLINED ENERGY AND CARBON REPORTING

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities but in line with our Ethos measures have been taken to improve energy efficiency. Those include installing smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. LED lighting has been installed on every site funded through SALIX loans.

PLANS FOR FUTURE PERIODS

The national picture shows that the disadvantage gap has grown as a result of the pandemic, and this is equally true within our trust, particularly due to its location in one of the most deprived authorities in the UK.

To address this the trust has created a Disadvantaged Champions Strategic Group. This group has looked at the research available (including engaging with nationally recognised experts in the field) and proven strategies to reduce the gap that is lived between our disadvantaged and non-disadvantaged pupils.

This group has developed a strategy for the trust and for each school. The strategy is resourced through pupil premium funding; COVID recovery funding; school led tutoring fund and through targeted spending of GAG. The disadvantaged strategy is a core element of each school's development plan for the coming year.

The three schools will be embedding their work on curriculum. following last year's review. Together, supported by the CEO and Director of Education, the Heads of School will review the implementation and impact that this work has had on outcomes for pupils. impact of the national pandemic and will be working to ensure that staff and pupil well-being has a high priority across the trust, and to ensure that no child loses out educationally as a result of COVID 19.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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
No funds are held that the Trust does not have control over.

AUDITOR

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on _____ and signed on the board's behalf by:

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:

Mr Jamie Parffrey
Chair of Trustees

9/12/21

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the chief executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Riviera Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 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
Stewart Biddles (CEO)	5	5
Jamie Parffrey	6	6
Matthew Redwood	6	6
Josie Medforth	6	6
Gary Hotine	0	2
Will Foulds	5	6
Tim Wickson	3	4

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.

The Board of Directors (Trustees, referred to hereafter) is appointed by the Members and is responsible for setting the strategic direction of the Trust and is directly accountable for the educational standards and financial management of the Trust and its Academies.

In particular:

- Defining and communicating a Vision for the Trust and its Academies/Settings
- Setting and monitoring of standards for achievement of the Vision of the Trust
- Financial management in accordance with the Master Funding Agreement through the setting of a budget for each academy and monitoring its financial performance
- Ensuring the effective safeguarding of all those involved with the Trust.
- Management of the centralised services provided by the Trust.

In the most recent year, the Trust has reviewed its governance structures and has identified a new approach to take forward into the fourth 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 has supported trustees, guiding the process of governance restructure and, along with trustees has secured the joining of the third school into the trust.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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 Chair of Trustees may not be a Member of the Audit Committee.

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, and agreeing, who will perform the work**
- To direct a programme of internal scrutiny which delivers objective and independent assurance and is compliant with the requirements of the current Academies Financial Handbook
- **To provide assurance to Trustees and Governors that risks are being adequately identified and managed by**
 - reviewing the risks to internal financial control at the Academy

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- To inform the governance statement that accompanies the annual accounts and, so far as is possible, provide assurance to the external auditors
- ensure that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the trust and (in the case of a multi-academy trust) by constituent academies, is accurate and in compliance with funding criteria.
- oversight of the financial controls and risks at constituent academies

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 at all levels of the Trust, including constituent academies.
- To ensure capture of all business and pecuniary interests of members, trustees and senior employees
- To ensure that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the trust and (in the case of a multi-academy trust) by constituent academies, is accurate and in compliance with funding criteria.

Audit

- To guide the internal auditor on the nature and scope of the audit as necessary taking into account previous Audit feedback, ensuring that risks and financial controls at constituent academies are also reviewed as part of the scope.
- To consider and advise the Trustees on external audit reports and management letters.
- To advise the Members and Trustees on appointment of Internal and External Audit
- Assess effectiveness of Audit provision and take action where necessary.

During the year Gary Hotine resigned from the committee and as a Trustee. Will Foulds and Tim Wickson joined the committee, due to low numbers, Matt Redwood remained the Chair for the Finance and the Audit and Risk Committees. Moving into 2021, Will Foulds will take over as Chair of the Audit and Risk committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Redwood (Chair)	4	4
Josie Medforth	4	4
Gary Hotine	0	1
Will Foulds	3	3
Tim Wickson	2	2

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

- Undertake the annual salary review and determine the individual salary of all staff by considering and **ratifying the Head of School recommendations for the pay of all staff, ensuring the performance management policy and pay policy has been consistently and robustly applied.**
- Decide the school's approach towards the exercising of pay discretions.
- Comply with all statutory and contractual obligations.
- Ensure the pay policy is up-to-date and under review.
- **Ensure that pay decisions of each member of staff in the school are communicated to them in writing.**
- Recommend to the Board of Directors and ensure a review of policy and procedures for performance management in school is completed.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- Approve the appraisals and pay recommendations for the Leadership Team.
- Report to the Board of Directors all decisions taken within the powers delegated to the Committee.
- Review and recommend appropriate training and development activities in respect of the above.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Redwood (Chair)	2	2
Josie Medforth	2	2
Paul Garside	2	2

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

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

- Effective management of the budgets of each school
- Deploying staff effectively.
- Robust financial governance and budget management.
- **Value for money purchasing.**
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.

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 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from [1 September 2020] to 31 August 2021 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

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- 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
- 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 control account/bank account reconciliations
- Testing of income systems
- Testing of core areas

On an annual basis the auditor reports to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

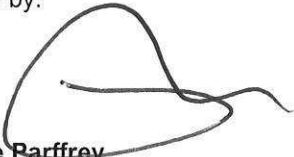
REVIEW OF EFFECTIVENESS


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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- **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 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 9/12/21 and signed on their behalf by:


Jamie Parffrey
Trustee


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 Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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: 9/12/21

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- **prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.**

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

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

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

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

Jamie Paffrey
Chair of Trustees
Date:

9/12/21

**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 'trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities incorporating income and expenditure account, the **Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies**. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;** and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the ESFA.

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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**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 other information comprises the information included in the Annual report and financial statements other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report and financial statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act, tax legislation and Charity SORP 2019 and FRS102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

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.

Bishop Fleming LLP

Mark Munro FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: *15/12/21*

**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 24 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Mark Munro FCA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: *15/12/21*

RIVIERA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	15,610	27,986	289,381	332,977	1,031,117
Other trading activities		236,982	-	-	236,982	139,623
Investments	7	776	-	-	776	3,549
Charitable activities	4	275,957	6,826,114	-	7,102,071	6,517,588
Teaching schools	31	-	101,497	-	101,497	109,516
Total income		529,325	6,955,597	289,381	7,774,303	7,801,393
Expenditure on:						
Raising funds		-	-	-	-	94,553
Charitable activities	9	386,074	7,346,011	389,261	8,121,346	7,678,205
Teaching schools	31	-	83,255	-	83,255	77,673
Total expenditure		386,074	7,429,266	389,261	8,204,601	7,850,431
Net income /(expenditure)		143,251	(473,669)	(99,880)	(430,298)	(49,038)
Transfers between funds	20	174,959	(288,445)	113,486	-	-
Net movement in funds before other recognised gains/(losses)		318,210	(762,114)	13,606	(430,298)	(49,038)
Other recognised (losses):						
Actuarial losses on defined benefit pension schemes	27	-	(441,000)	-	(441,000)	(534,000)
Net movement in funds		318,210	(1,203,114)	13,606	(871,298)	(583,038)
Reconciliation of funds:						
Total funds brought forward		168,740	(4,746,591)	13,986,184	9,408,333	9,991,371
Net movement in funds		318,210	(1,203,114)	13,606	(871,298)	(583,038)
Total funds carried forward		486,950	(5,949,705)	13,999,790	8,537,035	9,408,333

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

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The notes on pages 34 to 63 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	13,851,101	13,512,533
		<u>13,851,101</u>	<u>13,512,533</u>
Current assets			
Debtors	17	422,167	672,810
Cash at bank and in hand		840,999	709,742
		<u>1,263,166</u>	<u>1,382,552</u>
Creditors: amounts falling due within one year	18	(558,226)	(539,752)
		<u>704,940</u>	<u>842,800</u>
Net current assets		704,940	842,800
Total assets less current liabilities		14,556,041	14,355,333
Creditors: amounts falling due after more than one year	19	(52,006)	-
Net assets excluding pension liability		14,504,035	14,355,333
Defined benefit pension scheme liability	27	(5,967,000)	(4,947,000)
Total net assets		8,537,035	9,408,333
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	13,999,790	13,986,184
Restricted income funds	20	17,295	200,409
		<u>14,017,085</u>	<u>14,186,593</u>
Restricted funds excluding pension asset	20	14,017,085	14,186,593
Pension reserve	20	(5,967,000)	(4,947,000)
Total restricted funds	20	8,050,085	9,239,593
Unrestricted income funds	20	486,950	168,740
Total funds		8,537,035	9,408,333

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

9/12/21



Jamie Parffrey
Chair of Trustees

The notes on pages 34 to 63 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	22	568,919	95,933
Cash flows from investing activities	23	(437,672)	(100,680)
Change in cash and cash equivalents in the year		131,247	(4,747)
Cash and cash equivalents at the beginning of the year		709,742	714,489
Cash and cash equivalents at the end of the year	24, 25	840,989	709,742

The notes on pages 34 to 63 form part of these financial statements

1. Accounting policies

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

1.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

1. Accounting policies (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Long-term leasehold property	- 50-125 years 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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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.

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

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 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	15,610	27,986	-	43,596	561,476
Capital Grants	-	-	289,381	289,381	469,641
TOTAL 2021	<u>15,610</u>	<u>27,986</u>	<u>289,381</u>	<u>332,977</u>	<u>1,031,117</u>
TOTAL 2020	<u>18,046</u>	<u>52,427</u>	<u>960,644</u>	<u>1,031,117</u>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	275,957	6,826,114	7,102,071	6,517,588
TOTAL 2020	<u>324,003</u>	<u>6,193,585</u>	<u>6,517,588</u>	

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included with the Educational activities reported throughout the accounts.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for the Trust's education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	5,185,298	5,185,298	4,873,441
Other DfE/EFSA grants	-	128,616	128,616	20,580
Pupil Premium	-	430,327	430,327	393,340
Teachers pay and pension grant	-	264,575	264,575	266,314
UIFSM	-	184,634	184,634	201,159
PE & Sport grant	-	59,939	59,939	59,840
	-	6,253,389	6,253,389	5,814,674
OTHER GOVERNMENT GRANTS				
High Needs	-	316,685	316,685	261,945
Other government grants: non-capital	262,212	108,442	370,654	294,925
	262,212	425,127	687,339	556,870
Other income from the Trust's education	13,745	29,546	43,291	138,449
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	110,720	110,720	-
	-	110,720	110,720	-
COVID-19 ADDITIONAL FUNDING (NON- DFE/ESFA)				
Coronavirus Job Retention Scheme grant	-	7,332	7,332	7,595
	-	7,332	7,332	7,595
	275,957	6,826,114	7,102,071	6,517,588
TOTAL 2020	324,003	6,193,585	6,517,588	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for the Trust's education (continued)

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

The funding received for coronavirus exceptional support covers £140,266 of expenditure for educational supplies and staff costs. These costs are included in notes 8 and 10 below as appropriate.

The Academy furloughed one of its staff members under the government's CJRS. The funding received of £7k (2020:£8k) relates to staff costs in respect of staff which are included within note 12 below as appropriate.

6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	4,264	4,264	33,792
Staff catering	-	-	2,199
Fees received	232,718	232,718	103,206
Other	-	-	426
	<u>236,982</u>	<u>236,982</u>	<u>139,623</u>
TOTAL 2020	<u>139,623</u>	<u>139,623</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	776	776	3,549
TOTAL 2020	<u>3,549</u>	<u>3,549</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	94,553
Education:					
Direct costs	5,388,296	1,850,019	(1,275,556)	5,962,759	5,787,507
Allocated support costs	1,077,869	921,193	159,525	2,158,587	1,890,698
Teaching school	64,043	-	19,212	83,255	77,673
	<u>6,530,208</u>	<u>2,771,212</u>	<u>(1,096,819)</u>	<u>8,204,601</u>	<u>7,850,431</u>
TOTAL 2020	<u>5,912,186</u>	<u>888,158</u>	<u>1,050,087</u>	<u>7,850,431</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	386,074	7,735,272	8,121,346	7,678,205
TOTAL 2020	<u>280,751</u>	<u>7,397,454</u>	<u>7,678,205</u>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	5,962,759	2,158,587	8,121,346	7,678,205
TOTAL 2020	<u>5,787,507</u>	<u>1,890,698</u>	<u>7,678,205</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,077,869	1,077,869	917,254
Depreciation	98,193	98,193	171,069
Staff development	3,848	3,848	-
Other costs	49,798	49,798	23,420
Recruitment and support	5,296	5,296	-
Maintenance of premises and equipment	109,687	109,687	95,971
Cleaning	48,529	48,529	38,884
Rent and rates	56,594	56,594	57,046
Energy costs	82,275	82,275	76,448
Insurance	35,020	35,020	33,064
Security and transport	19,167	19,167	25,797
Catering	309,930	309,930	179,846
Technology costs	110,355	110,355	34,281
Office overheads	10,241	10,241	55,889
Legal and professional	87,964	87,964	153,859
Bank interest and charges	997	997	-
Educational consultancy	30,654	30,654	-
Governance costs	22,170	22,170	27,870
	<u>2,158,587</u>	<u>2,158,587</u>	<u>1,890,698</u>
TOTAL 2020	<u>1,890,698</u>	<u>1,890,698</u>	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	30,841	21,422
Depreciation of tangible fixed assets	389,261	710,297
Fees paid to auditors for:		
- audit	11,250	12,295
- other services	3,555	3,745
	<u>434,907</u>	<u>758,764</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,667,526	4,378,616
Social security costs	418,642	360,139
Pension costs	1,444,040	1,168,431
	<u>6,530,208</u>	<u>5,907,186</u>
Staff restructuring costs	-	5,000
	<u><u>6,530,208</u></u>	<u><u>5,912,186</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £5,000). Individually, the payments were £Nil (2020: £5,000).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	71	77
Educational Support	129	133
Administration and Clerical	19	24
Management	6	6
	<u>225</u>	<u>240</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	65	62
Educational Support	73	71
Administration and Clerical	14	13
Management	6	6
	<u>158</u>	<u>152</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	-
In the band £90,001 - £100,000	-	2
In the band £100,001 - £110,000	1	-
	<u>2</u>	<u>2</u>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £274,117 (2020 £271,268). The Trustees have reviewed who is considered to be key management personnel. The amount disclosed in the current year is for the 4 members of SLT set out on page 1.

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 14 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:

	2021 £	2020 £
Oldway Primary	344,464	246,699
Roselands Primary	47,544	135,084
Shiphay Learning Academy	192,516	166,914
TOTAL	<u>584,524</u>	<u>548,697</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 £100,000 - £105,000 (2020: £100,000 - £105,000), Employers pension contributions £Nil (2020: £Nil), C. O'Connor: Remuneration £Nil (2020: £15,000 - £20,000), Employers pension contributions £Nil (2020: £Nil - £5,000).

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

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year, retirement benefits were accruing to 1 Trustee (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £230 to 2 Trustees).

15. Trustees' and Officers' insurance

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	14,921,399	2,301,538	366,269	7,473	17,596,679
Additions	601,636	5,416	120,777	-	727,829
At 31 August 2021	<u>15,523,035</u>	<u>2,306,954</u>	<u>487,046</u>	<u>7,473</u>	<u>18,324,508</u>
DEPRECIATION					
At 1 September 2020	1,596,837	2,146,389	333,447	7,473	4,084,146
Charge for the year	271,859	71,759	45,643	-	389,261
At 31 August 2021	<u>1,868,696</u>	<u>2,218,148</u>	<u>379,090</u>	<u>7,473</u>	<u>4,473,407</u>
NET BOOK VALUE					
At 31 August 2021	<u>13,654,339</u>	<u>88,806</u>	<u>107,956</u>	<u>-</u>	<u>13,851,101</u>
At 31 August 2020	<u>13,324,562</u>	<u>155,149</u>	<u>32,822</u>	<u>-</u>	<u>13,512,533</u>

17. Debtors

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	1,386	-
Other debtors	84	297
Prepayments and accrued income	406,378	659,864
VAT recoverable	14,319	12,649
	<u>422,167</u>	<u>672,810</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Salix loans	3,467	-
Trade creditors	29,698	-
Other taxation and social security	90,368	104,054
Other creditors	106,721	71,575
Accruals and deferred income	327,972	364,123
	<u>558,226</u>	<u>539,752</u>
	2021 £	2020 £
Deferred income at 1 September 2020	170,179	157,051
Resources deferred during the year	149,792	170,179
Amounts released from previous periods	(170,179)	(157,051)
	<u>149,792</u>	<u>170,179</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 21/22 year.

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

	2021 £	2020 £
Salix loans	<u>52,006</u>	<u>-</u>

Included within creditors is a Salix loan of £55,473 repayable in six-monthly instalments over 8 years with an applicable annual interest rate of 0%.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	168,740	529,325	(386,074)	174,959	-	486,950
RESTRICTED GENERAL FUNDS						
GAG	-	5,185,298	(5,071,812)	(113,486)	-	-
Pupil Premium	-	460,214	(460,214)	-	-	-
UIFSM	-	214,180	(214,180)	-	-	-
Rates	-	30,362	(30,362)	-	-	-
High Needs	-	316,685	(316,685)	-	-	-
PE Grant	18,026	59,939	(61,920)	-	-	16,045
Other restricted income	-	160,141	(160,141)	-	-	-
Educational visits	-	27,986	(27,986)	-	-	-
Donations	2,249	-	(999)	-	-	1,250
Teaching School	176,717	101,497	(103,255)	(174,959)	-	-
NQT	-	24,000	(24,000)	-	-	-
Strategic Improvement Fund	3,417	-	(3,417)	-	-	-
Teachers pay & Pension Grant	-	264,575	(264,575)	-	-	-
COVID-19 Catch up	-	110,720	(110,720)	-	-	-
Pension reserve	(4,947,000)	-	(579,000)	-	(441,000)	(5,967,000)
	(4,746,591)	6,955,597	(7,429,266)	(288,445)	(441,000)	(5,949,705)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds (continued)

**RESTRICTED
FIXED ASSET
FUNDS**

Transfer on conversion	12,789,291	-	(273,356)	-	-	12,515,935
Purchased from GAG	26,281	-	(33,139)	168,959	-	162,101
DfE/ESFA Capital grants	142,712	61,473	(39,349)	-	-	164,836
Other donations	479,571	20,638	(23,238)	-	-	476,971
Capital improvement fund	544,344	207,270	(16,488)	-	-	735,126
Other capital grants	3,985	-	(3,691)	-	-	294
Salix loan	-	-	-	(55,473)	-	(55,473)
	<u>13,986,184</u>	<u>289,381</u>	<u>(389,261)</u>	<u>113,486</u>	<u>-</u>	<u>13,999,790</u>
TOTAL RESTRICTED FUNDS	9,239,593	7,244,978	(7,818,527)	(174,959)	(441,000)	8,050,085
TOTAL FUNDS	9,408,333	7,774,303	(8,204,601)	-	(441,000)	8,537,035

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.

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.

Other restricted – these represent other restricted funds to be used for specific purposes.

Donations - these represent donated funds to be used for specific purposes.

20. Statement of funds (continued)

Educational visits – these represent contributions towards specific educational visits.

Teaching School, NQT and Schools Direct - Funding received for the academy to run the provision of the Teaching School, NQT and Schools Direct. At the end of the year the Teaching School was disbanded. The restricted element of funds, being the grant income, had been fully spent and the balance of unrestricted funds was transferred to the Trust's central services.

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

Teachers' Pay and Pension Grant - This represents funding to cover the increase in both teachers' salaries and also the increase in the employer's contribution rate for teachers' pensions.

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.

DfE/ESFA capital grants - 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.

Capital improvement fund - This represents the value of funding received in respect of the Condition Improvement Fund grants.

Other capital grants - these represent other grant funding to be used for specific capital purposes.

Salix loans - This represents the value of loans given to the trust for specific energy efficient projects.

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 2021.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Staff absence	50,000	-	-	(50,000)	-	-
GENERAL FUNDS						
General Funds	35,138	485,221	(375,304)	23,685	-	168,740
TOTAL UNRESTRICTED FUNDS	85,138	485,221	(375,304)	(26,315)	-	168,740
RESTRICTED GENERAL FUNDS						
GAG	-	4,873,441	(4,935,236)	61,795	-	-
Pupil Premium	-	404,826	(404,826)	-	-	-
UIFSM	-	201,159	(201,159)	-	-	-
Rates	-	20,580	(20,580)	-	-	-
High Needs	-	261,945	(261,945)	-	-	-
PE Grant	23,043	59,840	(64,857)	-	-	18,026
Other restricted income	-	73,935	(73,935)	-	-	-
Educational visits	-	52,032	(52,032)	-	-	-
Donations	999	1,250	-	-	-	2,249
Teaching School	214,874	109,516	(77,673)	(70,000)	-	176,717
NQT	-	24,230	(24,230)	-	-	-
Schools Direct	-	6,460	(6,460)	-	-	-
Strategic Improvement Fund	16,000	-	(12,583)	-	-	3,417
Teachers pay & Pension Grant	-	266,314	(266,314)	-	-	-
Pension reserve	(4,050,000)	-	(363,000)	-	(534,000)	(4,947,000)
	(3,795,084)	6,355,528	(6,764,830)	(8,205)	(534,000)	(4,746,591)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds (continued)

**RESTRICTED
FIXED ASSET
FUNDS**

Transfer on conversion	13,424,722	-	(635,431)	-	-	12,789,291
Fixed assets purchased from GAG and other restricted funds	10,244	-	(18,483)	34,520	-	26,281
DfE/ESFA capital grant	146,651	28,421	(32,360)	-	-	142,712
Other donations	8,324	487,018	(15,771)	-	-	479,571
Capital improvement fund	111,376	441,220	(8,252)	-	-	544,344
Other capital grants	-	3,985	-	-	-	3,985
	<u>13,701,317</u>	<u>960,644</u>	<u>(710,297)</u>	<u>34,520</u>	<u>-</u>	<u>13,986,184</u>
TOTAL RESTRICTED FUNDS	<u>9,906,233</u>	<u>7,316,172</u>	<u>(7,475,127)</u>	<u>26,315</u>	<u>(534,000)</u>	<u>9,239,593</u>
TOTAL FUNDS	<u><u>9,991,371</u></u>	<u><u>7,801,393</u></u>	<u><u>(7,850,431)</u></u>	<u><u>-</u></u>	<u><u>(534,000)</u></u>	<u><u>9,408,333</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Oldway Primary	234,653	187,876
Roselands Primary	88,454	86,319
Shiphay Learning Academy	74,449	(66,835)
Central Services	106,689	(14,928)
Teaching School	-	176,717
Total before fixed asset funds and pension reserve	<u>504,245</u>	369,149
Restricted fixed asset fund	13,999,790	13,986,184
Pension reserve	<u>(5,967,000)</u>	(4,947,000)
TOTAL	<u>8,537,035</u>	<u>9,408,333</u>

At the end of the year the Teaching School was disbanded. The restricted element of funds, being the grant income, had been fully spent and the balance of unrestricted funds was transferred to the Trust's central services.

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 2021 £	Total 2020 £
Oldway Primary	2,246,667	342,142	26,690	444,090	3,059,589	3,469,201
Roselands Primary	1,186,151	175,067	34,195	223,163	1,618,576	1,476,391
Shiphay Learning Academy	1,397,424	154,146	48,585	308,051	1,908,206	1,832,246
Central Services	318,379	211,232	318	120,040	649,969	-
TRUST	<u>5,148,621</u>	<u>882,587</u>	<u>109,788</u>	<u>1,095,344</u>	<u>7,236,340</u>	<u>6,777,838</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	13,851,101	13,851,101
Current assets	1,041,709	17,295	204,162	1,263,166
Creditors due within one year	(554,759)	-	(3,467)	(558,226)
Creditors due in more than one year	-	-	(52,006)	(52,006)
Provisions for liabilities and charges	-	(5,967,000)	-	(5,967,000)
TOTAL	486,950	(5,949,705)	13,999,790	8,537,035

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	13,512,533	13,512,533
Current assets	168,740	740,161	473,651	1,382,552
Creditors due within one year	-	(539,752)	-	(539,752)
Provisions for liabilities and charges	-	(4,947,000)	-	(4,947,000)
TOTAL	168,740	(4,746,591)	13,986,184	9,408,333

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

22. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(430,298)	(49,038)
ADJUSTMENTS FOR:		
Depreciation	389,261	710,297
Capital grants from DfE and other capital income	(289,381)	(469,641)
Interest receivable	(776)	(3,549)
Defined benefit pension scheme cost less contributions payable	499,000	288,000
Defined benefit pension scheme finance cost	80,000	75,000
Decrease/(increase) in debtors	250,633	(486,707)
Increase in creditors	70,480	31,571
NET CASH PROVIDED BY OPERATING ACTIVITIES	568,919	95,933

23. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	776	3,549
Purchase of tangible fixed assets	(727,829)	(573,870)
Capital grants from DfE Group	289,381	469,641
NET CASH USED IN INVESTING ACTIVITIES	(437,672)	(100,680)

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	300,401	119,144
Notice deposits (less than 3 months)	540,588	590,598
TOTAL CASH AND CASH EQUIVALENTS	840,989	709,742

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Salix loans £	At 31 August 2021 £
Cash at bank and in hand	709,742	131,257	-	840,999
Debt due within 1 year	-	-	(3,467)	(3,467)
Debt due after 1 year	-	-	(52,006)	(52,006)
	<u>709,742</u>	<u>131,257</u>	<u>(55,473)</u>	<u>785,526</u>

26. Capital commitments

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>257,926</u>	<u>-</u>

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 1 September 2019 and of the LGPS 31 March 2019.

Contributions amounting to £72,877 were payable to the schemes at 31 August 2021 (2020 - £71,575) 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. All teachers have the option to opt-out of the TPS following enrolment.

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

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 1 September 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £604,040 (2020 - £718,343).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £436,000 (2020 - £419,000), of which employer's contributions totalled £341,000 (2020 - £331,000) and employees' contributions totalled £ 95,000 (2020 - £88,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

	2021	2020
	%	%
Rate of increase in salaries	3.9	3.25
Rate of increase for pensions in payment/inflation	2.9	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	2021	2020
	Years	Years
Retiring today		
Males	22.7	22.9
Females	24.0	24.1
Retiring in 20 years		
Males	24.0	24.3
Females	25.4	25.5

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

27. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(270)	(215)
Discount rate -0.1%	277	221
Mortality assumption - 1 year increase	422	309
Mortality assumption - 1 year decrease	(406)	(299)
CPI rate +0.1%	248	196
CPI rate -0.1%	(241)	(191)

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,104,000	2,228,000
Gilts	635,000	131,000
Corporate bonds	94,000	176,000
Property	396,000	297,000
Cash and other liquid assets	30,000	43,000
Other assets	701,000	858,000
TOTAL MARKET VALUE OF ASSETS	4,960,000	3,733,000

The actual return on scheme assets was £794,000 (2020 - £13,000).

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

	2021	2020
	£	£
Current service cost	(840,000)	(709,000)
Interest income	60,000	68,000
Interest cost	(140,000)	(143,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	90,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(920,000)	(694,000)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

27. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	8,680,000	7,522,000
Current service cost	840,000	709,000
Interest cost	140,000	143,000
Employee contributions	95,000	88,000
Actuarial losses	1,172,000	405,000
Benefits paid	-	(2,000)
Liabilities assumed/(extinguished) on settlements	-	(185,000)
AT 31 AUGUST	10,927,000	8,680,000

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

	2021 £	2020 £
At 1 September	3,733,000	3,472,000
Interest income	63,000	70,000
Actuarial gains/(losses)	731,000	(129,000)
Employer contributions	341,000	331,000
Employee contributions	95,000	88,000
Benefits paid	(3,000)	(2,000)
Administration expenses	-	(2,000)
Settlement prices received / (paid)	-	(95,000)
AT 31 AUGUST	4,960,000	3,733,000

28. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	22,791	28,847
Later than 1 year and not later than 5 years	64,276	89,060
	87,067	117,907

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

29. 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.

30. Related party transactions

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

The following related party transactions took place in the year:

During the year purchases were made from Bay Education Trust (a Trustee is an employee) totalling £Nil (2020: £6,000), this transaction was completed at cost and was supported by a statement of assurance. At 31 August 2021 the amount owed to Bay Education Trust was £Nil (2020: £Nil).

In the year, a spouse of a Trustee was employed by the Academy Trust. Remuneration in the range of £20,000 - £25,000 and employer's pension contributions in the range of £Nil - £5,000 was paid through payroll in the year. There were no amounts outstanding at the year end.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

31. Teaching school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
DIRECT INCOME				
Grant income	39,250		40,000	
Membership income and contributions	60,747		59,826	
Other	1,500		9,690	
TOTAL DIRECT INCOME	<u>101,497</u>		<u>109,516</u>	
TOTAL INCOME		101,497		109,516
Expenditure				
DIRECT EXPENDITURE				
Staff costs	49,599		44,551	
Other costs	38,399		-	
TOTAL DIRECT EXPENDITURE	<u>87,998</u>		<u>44,551</u>	
OTHER EXPENDITURE				
Support staff costs	14,444		-	
Other	813		-	
Resources	-		33,122	
TOTAL OTHER EXPENDITURE	<u>15,257</u>		<u>33,122</u>	
TOTAL EXPENDITURE		103,255		77,673
Transfers between funds excluding depreciation		(174,959)		(70,000)
Deficit from all sources		(176,717)		(38,157)
Teaching school balances at 1 September 2020		176,717		214,874
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		<u>-</u>		<u>176,717</u>

