

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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REFERENCE AND ADMINISTRATIVE DETAILS

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**Members** Jamie Parffrey  
Neil Smythe (resigned 10 September 2019)  
Susan Apps  
Laurence Frewin (appointed 20 September 2019)

**Trustees** Jamie Parffrey, Chair<sup>3</sup>  
Stewart Biddles, CEO and Accounting Officer<sup>1,2,3</sup>  
Claire Hepher (resigned 16 December 2019)  
Gary Hotine<sup>1</sup>  
Will Foulds  
Paul Garside<sup>2</sup>  
Simon Lee (resigned 17 January 2020)<sup>2</sup>  
Josie Medforth<sup>1</sup>  
Chris O'Connor (resigned 20 December 2019)  
Matthew Redwood<sup>1,2,3</sup>

<sup>1</sup> Finance and Audit Committee

<sup>2</sup> Pay Committee

<sup>3</sup> Admissions Committee

**Company registered number** 09751294

**Company name** Riviera Education Trust

**Principal and registered office** C/O Oldway Primary School  
Higher Polsham Road  
Paignton  
Devon  
TQ3 2SY

**Company secretary** Faye Steele

**Accounting Officer** Stewart Biddles

**Senior management team** Mr Stewart Biddles, CEO and Headteacher  
Mrs Claire Shiers, Director of Finance  
Mrs Clare Foulds, Director of HR  
Mrs 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

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

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

TRUSTEES REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. 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 1467 and had a roll of 1459 in the school census on 1 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 2 to 3.

Members' liability

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

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£386
Total pay bill	£5,907,186
Percentage of total pay bill spent on facility time	0 %

Paid trade union activities

Time spent on paid Trade Union activities as a percentage of total paid facility time %

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**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.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

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

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

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

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

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

**Policies and Procedures Adopted for the Induction and Training of Trustees**

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and induction will be tailored specifically to the individual. Driving the Trustee Induction is a checklist and timeline to ensure the process is purposeful and is a record of compliance. This process is reviewed annually.

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

**Organisational Structure**

The Board of Trustees normally meets once each term with additional meetings as required to discuss standards and the annual accounts. The Board establishes an overall framework for the governance of the

Academy and determines membership, terms of reference and procedures of Committees and the Local Standards Boards (LSB) as laid down in the Scheme of Delegation. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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, which meets following the finance committee with a separate agenda. The audit committee reviews the trust risk register as a standing item.
- **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, Director of Finance and Clerk to the Trustees, to approve the Annual School Development Plans and budgets.

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

A Trust Senior Leadership Team meets at least weekly to ensure the CEO has up to date and accurate information. This group is comprised of the Headteachers/Head of School and Director of Education. The Trust Business team also meet weekly with the CEO. This team comprises: Operations Manager, Finance Director, HR Director and Senior Administrator.

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.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Pay and remuneration of key management personnel is set according to the scheme of delegation and the pay policy of the trust and with agreement of trustees through recommendation of their pay committee. The pay of the CEO is set according to the process outlined in the pay policy and takes into account the scope of the role and current guidance.

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

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

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Connected Organisations, including Related Party Relationships**

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

Oldway School Fundraisers (OSF), 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.

In 2019/20, the OSF have donated £395 towards school activities, and have purchased a further £2,256 of resources for various activities including leavers hoodies, Christmas activities and nursery equipment amongst the main items.

During 2019/20 Roselands PSA kindly donated £479.40 donation towards M & M Productions who put on a performance for the children and £219.00 towards books that were purchased. Also a further £100 donation towards Lego workshops and £250 towards aa controllable vehicles kit (space buggy day)

Friends of Shiphay School donated an impressive £10,000 towards new playground equipment.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

**Vision:**

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

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

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

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

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

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

**Aims:**

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

- Are highly successful and achieve positive academic outcomes;
- Inspire learners through providing a rich, relevant and ambitious curriculum;
- Use self-reflection and evaluation to foster a culture of positive challenge and continual school improvement;
- Demonstrate inspirational leadership and determination at all levels to improve performance and drive on outstanding teaching and learning;
- Have high expectations for every individual and work to raise community aspirations;
- Fully engage and commit to the culture of collaboration in order to share resources and best practice for the benefit of everyone within the trust;

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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- Use the latest research to develop lively and enquiring minds for both students and staff; □
- Have an open, honest and transparent relationship between leaders at all levels.

**Objectives, Strategies and Activities**

In order to provide every child with the best possible educational experience, we will work collaboratively to achieve the objectives set out in our Trust Development Plan which can be found here: <https://www.rivieratrust.co.uk/strategic-plan/>

**Public Benefit**

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

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

**STRATEGIC REPORT**

**Impact of COVID-19 Global Pandemic**

Due to the virus, normal activities were drastically altered. Teaching was focused on maintaining fluency in subjects such as maths and English and learning for most children was maintained but did not move forward. Less than 20% of pupils were on site for learning during the second half of the academic year.

The vast majority of staff were working from home during the pandemic. Due to medical necessity more teaching assistants stepped up to cover classes and this required financial compensation. In order to keep the school open during bank holidays and Easter and half-term holidays, staff were given financial incentive, including double-time for holiday working. Without this incentive, we would not have been able to remain open to support key workers.

Cleaning regimes and materials were intensified and there were irretrievable costs linked to this. Investment in staff ICT and training in remote learning were also essential for working during lockdown, and in preparing for further partial school closures. Very few of these costs were able to be reclaimed from central government although a successful claim was made for allowable expenses for 2 of the schools within the Trust.

The pandemic has not had an impact that will be detrimental to sustainability and some costs were offset by savings such as, supply costs, energy costs and material costs (pencils, paper etc).

Fundraising both through the hire of our swimming pool, other lettings and through the work of the parent bodies ceased due to the pandemic. The cost of this loss of income was in the region of £40k. Moving forward the trust is looking to attract regular donations from the parent body as opposed to fundraising activity such as summer fairs. The loss of income was mitigated to some extent by the trustees having insisted on building a sensible reserve to support the trust in the instance of an emergency.

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.

Investments and pensions liabilities for the trust were not affected by the pandemic.

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The likely impact of the virus control measures are that reserves are unlikely to be added to significantly in the coming year. Academically, our Trust and schools both locally and nationally expect results from statutory tests to be lower than in previous years.

The work of the trust's teaching school has altered and almost all sessions are now delivered remotely. Attendance at face to face meetings (following government guidelines) is reduced as confidence in sending staff out of school is low. This could impact the revenue generated by the teaching school in the coming academic year, however, a new financial model has been adapted which we expect to mitigate this.

All school to school support that the trust was engaged in through its NLE and DfE work, has been paused. This means that there is no income generated through external reviews and hiring out of trust experts (SLEs / NLEs).

**Achievements and Performance**

In its fifth year of operation, the Trust continues to develop effective governance structures and has revisited and updated its vision in line with its aspirations for its communities

The Academy Trust has a good reputation, and all three schools were full in Reception in September 2020 and have waiting lists. Two out of three schools held an Ofsted rating of Outstanding, one was inspected during 2020 and rated as Good.

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

To ensure that standards are continually assessed, the schools have implemented rigorous monitoring systems using lesson observations, book and planning scrutiny and data analysis. Academic testing did not take place in this academic year due to the COVID-19 global pandemic, however mid-year assessments were positive and the schools were on track to achieve their academic targets.

The Academy Trust continues to support other schools effectively both through its teaching school (TTSA) but also through successful Strategic School Improvement Fund (SSIF) bids. TTSA is a strategic partner in the new Teaching School Hub.

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

Key Performance Indicators - Retained from previous year due to no statutory testing or data collection in 2020 as a result of COVID 19 pandemic

KS2 SATs 2019

Subject	Oldway	Roselands	Shiphay	National
Reading	83	65	77	73
HSS	35	22	25	27
Maths	86	74	74	79
HSS	36	22	21	27
Grammar	80	70	79	78
HSS	27	28	38	26
Writing TA	85	80	92	78
GD	18	7	13	20
RWM	74	59	67	65

KS1 2019

Subject	Oldway	Roselands	Shiphay	National 2019
Reading	87	80	80	75
GD	31	29	20	25
Maths	85	87	80	76
GD	26	24	23	22
Writing	80	78	70	69
GD	13	16	15	15

Early Years - 2019

	Oldway	Roselands	Shiphay	National 2019
Phonics	83.3	80	80	82
GLD	80	80	68	71.8

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**Quality of Teaching and Learning**

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

**Outcomes**

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

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

**Staffing**

Staffing is relatively stable across all schools in the Trust, however, the resignation of the Head of School at Roselands opened up an opportunity for the trust to revisit its structures. An interim Executive Head was appointed to oversee the school, and this was an effective appointment with the school functioning well during the worst moments of the pandemic crisis. A new Head of School took up post in September 2020.

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

**Financial**

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

As the majority of the funding is based on pupil numbers this is also a key performance indicator. Pupil numbers have remained relatively consistent in 2019/20.

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

Other key performance indicators (excluding conversion balances) include:

	2020	2019
Pupil capacity	1380	1380
Pupil numbers	1459	1485
Total income per pupil excluding conversion	5,347	4,638
Total GAG income per pupil	3,340	3,147
GAG income ratio of total income excluding conversion	62.5%	67.8%
Total expenditure per pupil excluding depreciation and pension deficit adjustments	4,646	4,486
Staff costs per pupil	3,892	3,874
Staff costs as a % of GAG income	121.3%	123.1%
Staff costs as a % of total costs	75.3%	73.5%
Pupil teacher ratio (average head count)	26.5	27.0
Available reserves (excluding SSIF)	365,732	324,054
Available reserves per pupil	251	218

#### Going Concern

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

#### FINANCIAL REVIEW

##### Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 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 2020, the Academy Trust received total income of £7,801,393 and incurred total expenditure of £7,850,431, including pension and depreciation. The excess of total expenditure over income for the year was £49,038.

At 31 August 2020 the net book value of fixed assets was £13,512,533 and movements in tangible fixed assets are shown in note 26 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Reserves Policy**

The Trustees will review the reserve levels of the Academy Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review including 3 year budgets, projecting funding, income and expenditure. The Trustee Board have identified the need to plan to meet the future funding available and for capital investment and the Trust set budgets for 2019/20 well within the funding available.

The Trustees agreed in May 2016 to aim for a reserve level of 5% of GAG funding. During 2019/20 Trustees decided to de-designate the £50,000 provisionally allocated as an insurance against staff absence, and call on reserves for unforeseen significant staff absence in consideration with other commitments.

Trustees also considered at Finance and Audit, the balance of Teaching School reserve, and the lack of recharges from the Trust over the years, particularly towards the work of the Assistant Director of TTSA (whose pay sits within Oldway School due to the postholder's other responsibilities) and also central staff such as the Finance team, which had not been covered by the annual Teaching Schools Grant. On the basis of this, a sum of £10k per year, totalling £70,000 was agreed to be transferred plus a further £20k per year on an ongoing basis towards the cost of these posts.

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

The reserves as reported in the accompanying accounts amounted to as at 31st August 2020:

GAG –	£Nil
Unrestricted –	£168,740
Restricted –	£200,409

**Investment Policy**

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

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

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

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**Principal Risks and Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks

**COVID 19**

Please see reference to COVID 19 on Page 7 under the strategic report.

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. 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 at least until April 2021 and it is unlikely that income from lettings will recover prior to February 2021.

**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 2019-20 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 funding will mitigate this, indeed, phonics results in November have improved upon previous year's results in all of our schools, going against the local (and forecast national) trend.

**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 Financial Handbook (AFH). The Internal Auditors will provide an annual report to be submitted with the accounts in line with the updated requirements of the AFH. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan will be regularly reviewed in light of any new information and formally reviewed annually. The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

Investment in the CPD of all staff through structured programmes at all levels will be at the heart of next year's trust-wide work. This will build upon the work of our teaching school at a local level.

Following the announcement that all teaching schools will be de-designated at the end of next year, our strategic partnership with the new teaching school hub TSSW will be important in ensuring our school to school support and wider networks continue to impact upon educational provision beyond the trust. The CPD and appropriate body work of the trust will continue under a new name and will become a stable income generation for the trust.

Roselands School will continue to focus on outcomes at KS2 and progress across the key stage. The newly appointed head of school will be supported by the Director of Education and CEO to ensure that appropriate strategies are in place to support the highest standard of teaching and learning, and that monitoring is robust and thorough.

Oldway School will be investing CPD time in embedding best practice in behaviour management strategies introduced last year, and will have a clear focus on raising standards through the empowerment of subject leaders, supported by trust-wide work on curriculum development.

Shiphay Learning Academy will have a focus on Early Years provision. This is an area where their outcomes are currently below the national benchmark. They will also have a focus on the teaching of reading and in developing mastery in mathematics to ensure that progress in maths at Key Stage Two is improving.

All three schools will be embedding their work on curriculum. Together, supported by the CEO and Director of Education, the Heads of School will review the 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 and school closures.

**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.

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**AUDITORS**

In so far as the Trustees are aware:

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

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

Approved by order of the members of the Board of Trustees on *26/01/21* and signed on their behalf,  
by:



**Jamie Parfrey**  
Chair of Trustees



**Stewart Biddles**  
Accounting Officer

## GOVERNANCE STATEMENT

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### 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.

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

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

## GOVERNANCE STATEMENT (CONTINUED)

### Governance

The information on governance included here supplements that described in the Trustees' report 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
Jamie Parffrey, Chair	5	6
Stewart Biddles, CEO and Accounting Officer	6	6
Claire Hepher	3	3
Gary Hotine	1	6
Will Foulds	5	6
Paul Garside	6	6
Simon Lee	1	3
Josie Medforth	5	6
Chris O'Connor	0	1
Matthew Redwood	6	6

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

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

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

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

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

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

## GOVERNANCE STATEMENT (CONTINUED)

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### Governance (continued)

- including BACS.
- To ensure that the schools asset management plan is regularly updated and to monitor the progress of all facilities works, including ACMF projects.
- To review and approve bought in service provision in line with levels of delegation as set out in the finance policy.
- To take approved reports to Trustees and report to the Board on any other matters of significance.
- To consider and review financial reports relating to Teaching School Activities.

### Audit Committee

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

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

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

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

In detail this is achieved through:

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

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

### Effectiveness of financial control

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

### Risk management

To advise the Trustees on risk management by:

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

GOVERNANCE STATEMENT (CONTINUED)

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Governance (continued)

Audit

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

Attendance during the year at meetings was as follows:

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

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

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

Attendance during the year at meetings was as follows:

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

## **GOVERNANCE STATEMENT (CONTINUED)**

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### **Review of value for money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by: Effective management of the budgets of each school. Making appropriate staffing decisions that have saved monies to be spent in other areas, without impacting upon the quality of educational standards.

### **COVID 19 expenditure and income**

The Trust diligently recorded all additional expenditure incurred as a direct result of COVID, in particular opening schools to key worker children during holiday periods and additional cleaning. The school was able to submit and successfully reclaim eligible expenditure for 2 schools within the Trust following the Government guidelines : Roselands £3,241 and Shiphay £4,074. Disclosure is covered with Note 5.

### **Application of PPN 02/20 and PPN 04/20**

The Trust followed the guidance note in agreeing interim payments with the Catering Contractor for Oldway School and after considerable discussion, agreed an interim payment sum basis with the contractor. No other contracts require application and negotiation under these notices.

The Trust identified supply staff or staff on casual contracts and calculated remuneration based on previous 12 month average pay in line with guidance. No staff were furloughed.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Riviera Education Trust for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The risk and control framework**

The 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

GOVERNANCE STATEMENT (CONTINUED)

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**The risk and control framework (continued)**

- 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 Trust's financial systems. In particular the checks carried out in the current period included:

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

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

**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 and signed on their behalf by:



**Jamie Partfrey**  
Chair of Trustees  
Date: 26/Jan/21



**Stewart Biddles**  
Accounting Officer  
26/01/21

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Riviera Education Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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



**Stewart Biddles**  
Accounting Officer

Date: 26/01/21

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

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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 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Jamie Parffrey**  
Chair of Trustees

Date: 26/Jan/21

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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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**

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

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

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

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report 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)

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**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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: 27/1/21

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

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In accordance with the terms of our engagement letter dated 04 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Riviera Education Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Conclusion**

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

*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: 27/1/21

RIVIERA EDUCATION TRUST  
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfers on conversion		-	-	-	-	3,244,307
Other donations and capital grants		18,046	52,427	960,644	1,031,117	172,423
Charitable activities	4	324,003	6,193,585	-	6,517,588	6,143,912
Teaching schools		-	109,516	-	109,516	350,459
Other trading activities		139,623	-	-	139,623	215,355
Investments	7	3,549	-	-	3,549	5,662
<b>Total income</b>		<b>485,221</b>	<b>6,355,528</b>	<b>960,644</b>	<b>7,801,393</b>	<b>10,132,118</b>
<b>Expenditure on:</b>						
Raising funds		94,553	-	-	94,553	89,556
Charitable activities	9	280,751	6,687,157	710,297	7,678,205	7,615,215
Teaching schools		-	77,673	-	77,673	135,585
<b>Total expenditure</b>		<b>375,304</b>	<b>6,764,830</b>	<b>710,297</b>	<b>7,850,431</b>	<b>7,840,356</b>
<b>Net income/ (expenditure)</b>		<b>109,917</b>	<b>(409,302)</b>	<b>250,347</b>	<b>(49,038)</b>	<b>2,291,762</b>
Transfers between funds	19	(26,315)	(8,205)	34,520	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>83,602</b>	<b>(417,507)</b>	<b>284,867</b>	<b>(49,038)</b>	<b>2,291,762</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(534,000)	-	(534,000)	(792,000)
<b>Net movement in funds</b>		<b>83,602</b>	<b>(951,507)</b>	<b>284,867</b>	<b>(583,038)</b>	<b>1,499,762</b>

RIVIERA EDUCATION TRUST  
(A COMPANY LIMITED BY GUARANTEE)

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Reconciliation of funds:</b>					
Total funds brought forward	85,138	(3,795,084)	13,701,317	9,991,371	8,491,609
Net movement in funds	83,602	(951,507)	284,867	(583,038)	1,499,762
<b>Total funds carried forward</b>	<u>168,740</u>	<u>(4,746,591)</u>	<u>13,986,184</u>	<u>9,408,333</u>	<u>9,991,371</u>

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

The notes on pages 33 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 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	16	13,512,533	13,648,960
		<u>13,512,533</u>	<u>13,648,960</u>
<b>Current assets</b>			
Debtors	17	672,810	186,103
Cash at bank and in hand		709,742	714,489
		<u>1,382,552</u>	<u>900,592</u>
Creditors: amounts falling due within one year	18	(539,752)	(508,181)
<b>Net current assets</b>		<u>842,800</u>	<u>392,411</u>
<b>Total assets less current liabilities</b>		<u>14,355,333</u>	<u>14,041,371</u>
<b>Net assets excluding pension liability</b>		<u>14,355,333</u>	<u>14,041,371</u>
Defined benefit pension scheme liability	25	(4,947,000)	(4,050,000)
<b>Total net assets</b>		<u><u>9,408,333</u></u>	<u><u>9,991,371</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	13,986,184	13,701,317
Restricted income funds	19	200,409	254,916
		<u>14,186,593</u>	<u>13,956,233</u>
Restricted funds excluding pension asset	19	14,186,593	13,956,233
Pension reserve	19	(4,947,000)	(4,050,000)
<b>Total restricted funds</b>	19	<u>9,239,593</u>	<u>9,906,233</u>
Unrestricted income funds	19	168,740	85,138
<b>Total funds</b>		<u><u>9,408,333</u></u>	<u><u>9,991,371</u></u>

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue on 26/01/21 and are signed on their behalf, by:

  
**Jamie Parffrey**  
Chair of Trustees

The notes on pages 33 to 63 form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	95,933	65,425
<b>Cash flows from investing activities</b>	22	(100,680)	(110,194)
<b>Change in cash and cash equivalents in the year</b>		<b>(4,747)</b>	<b>(44,769)</b>
Cash and cash equivalents at the beginning of the year		714,489	759,258
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<b>709,742</b>	<b>714,489</b>

The notes on pages 33 to 63 form part of these financial statements

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

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

Riviera Education Trust meets the definition of a public benefit entity under FRS 102.

**1.2 GOING CONCERN**

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

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

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1. Accounting policies (continued)

1.3 INCOME

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

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

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

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

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

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

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

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

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**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 2020

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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 note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

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1. Accounting policies (continued)

1.11 PENSIONS

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

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

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

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

1.12 FUND ACCOUNTING

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

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

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

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

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

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

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**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of 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.

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Donations/Capital Grants</b>					
Transfer on conversion	-	-	-	-	3,244,307
Donations	18,046	52,427	491,003	561,476	89,691
Capital Grants	-	-	469,641	469,641	82,732
<b>Total 2020</b>	<b>18,046</b>	<b>52,427</b>	<b>960,644</b>	<b>1,031,117</b>	<b>3,416,730</b>
Total 2019	65,432	(932,953)	4,284,251	3,416,730	

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	58,587	6,193,585	6,252,172	5,891,241
Nursery	265,416	-	265,416	252,671
<b>Total 2020</b>	<b>324,003</b>	<b>6,193,585</b>	<b>6,517,588</b>	<b>6,143,912</b>
Total 2019	346,800	5,797,112	6,143,912	

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

5. Funding for the Trust's education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	4,873,441	4,873,441	4,672,799
Other DfE/EFSA grants	-	615,079	615,079	621,377
	-	5,488,520	5,488,520	5,294,176
<b>Other government grants</b>				
High Needs	-	261,945	261,945	206,727
Other government grants: non-capital	-	362,342	362,342	174,271
Other government grants: capital	-	-	-	1,036
	-	624,287	624,287	382,034
<b>Other funding</b>				
Internal catering income	24,506	2,153	26,659	42,943
Sales to students	4,249	-	4,249	11,935
Other	29,832	71,030	100,862	160,153
	58,587	73,183	131,770	215,031
<b>Exceptional government funding</b>				
COVID 19 grants	-	7,595	7,595	-
	58,587	6,193,585	6,252,172	5,891,241
<b>Total 2019</b>	<b>94,129</b>	<b>5,797,112</b>	<b>5,891,241</b>	

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 "Exceptional government funding".

The funding received for coronavirus exceptional support covers £8k of additional cleaning costs and costs in relation to remote learning. These costs are included in notes 8 and 10 below as appropriate.

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

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	33,792	33,792	56,693
Staff catering	2,199	2,199	1,716
Fees recieved	103,206	103,206	147,631
Other	426	426	9,315
	<u>139,623</u>	<u>139,623</u>	<u>215,355</u>
Total 2019	<u>215,355</u>	<u>215,355</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	3,549	3,549	5,662
	<u>3,549</u>	<u>3,549</u>	<u>5,662</u>
Total 2019	<u>5,662</u>	<u>5,662</u>	

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

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	94,553	94,553	89,556
Education:					
Direct costs	4,761,048	539,228	265,690	5,565,966	5,441,147
Support costs	868,646	348,930	634,495	1,852,071	1,982,846
Nursery:					
Direct costs	217,333	-	4,208	221,541	174,116
Support costs	20,608	-	18,019	38,627	17,106
Teaching school	44,551	-	33,122	77,673	135,585
<b>Total 2020</b>	<b>5,912,186</b>	<b>888,158</b>	<b>1,050,087</b>	<b>7,850,431</b>	<b>7,840,356</b>
Total 2019	5,804,224	865,700	1,170,432	7,840,356	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	90,013	7,328,024	7,418,037	7,423,993
Nursery	190,738	69,430	260,168	191,222
<b>Total 2020</b>	<b>280,751</b>	<b>7,397,454</b>	<b>7,678,205</b>	<b>7,615,215</b>
Total 2019	647,421	6,967,794	7,615,215	

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	5,565,966	1,852,071	7,418,037	7,423,993
Nursery	221,541	38,627	260,168	191,222
<b>Total 2020</b>	<b>5,787,507</b>	<b>1,890,698</b>	<b>7,678,205</b>	<b>7,615,215</b>
Total 2019	5,615,263	1,999,952	7,615,215	

Analysis of direct costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension income	75,000	-	75,000	70,000
Staff costs	4,733,048	217,333	4,950,381	4,819,632
Depreciation	539,228	-	539,228	483,829
Educational supplies	109,683	4,208	113,891	127,887
Staff development	29,266	-	29,266	27,901
Other costs	79,328	-	79,328	86,014
Supply teachers	413	-	413	-
<b>Total 2020</b>	<b>5,565,966</b>	<b>221,541</b>	<b>5,787,507</b>	<b>5,615,263</b>
Total 2019	5,441,147	174,116	5,615,263	

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	896,646	20,608	917,254	907,200
Depreciation	171,069	-	171,069	194,451
Other costs	23,401	19	23,420	36,096
Recruitment and support	-	-	-	8,619
Maintenance of premises and equipment	95,971	-	95,971	103,176
Cleaning	38,884	-	38,884	29,224
Rent and rates	57,046	-	57,046	58,308
Energy costs	70,448	6,000	76,448	82,166
Insurance	33,064	-	33,064	34,847
Security and transport	25,797	-	25,797	21,841
Catering	179,846	-	179,846	194,088
Technology costs	34,281	-	34,281	54,475
Office overheads	43,889	12,000	55,889	60,627
Legal and professional	153,859	-	153,859	183,159
Governance Costs	27,870	-	27,870	31,675
<b>Total 2020</b>	<b>1,852,071</b>	<b>38,627</b>	<b>1,890,698</b>	<b>1,999,952</b>
Total 2019	1,982,846	17,106	1,999,952	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	21,422	4,838
Depreciation of tangible fixed assets	710,297	1,722,144
Fees paid to auditors for:		
- audit	12,295	15,050
- other services	3,745	2,435

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

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,378,616	4,233,236
Social security costs	360,139	347,675
Pension costs	1,168,431	1,093,721
	<u>5,907,186</u>	<u>5,674,632</u>
Staff restructuring costs	5,000	129,592
	<u>5,912,186</u>	<u>5,804,224</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,000 (2019: £52,352). Individually, the payments were £5,000 (2019: £40,444, £519, £60, £8,329, £3,000).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	77	74
Educational Support	133	143
Administration and Clerical	24	23
Management	6	7
	<u>240</u>	<u>247</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	62	57
Educational Support	71	74
Administration and Clerical	13	13
Management	6	5
	<u>152</u>	<u>149</u>

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

12. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 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	-

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 £271,268 (2019 £434,512). 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:

	2020 £	2019 £
Oldway Primary	246,699	233,830
Roselands Primary	135,084	115,170
Shiphay Learning Academy	166,914	58,632
<b>Total</b>	<b>548,697</b>	<b>407,632</b>

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

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**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 (2019: £95,000 - £100,000), Employers pension contributions £Nil (2018: £Nil), C O'Connor: Remuneration £15,000 - £20,000 (2019: £55,000 - £60,000), Employers pension contributions £Nil - £5,000 (2018: £5,000 - £10,000).

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

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses totalling £230 were reimbursed or paid directly to 2 Trustees (2019 - £586 to 1 Trustee).

**15. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £Nil (2019 - £22,102). The cost of this insurance is included in the total insurance cost.

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

16. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	14,449,945	2,212,414	352,977	7,473	17,022,809
Additions	463,401	97,178	13,291	-	573,870
At 31 August 2020	<u>14,913,346</u>	<u>2,309,592</u>	<u>366,268</u>	<u>7,473</u>	<u>17,596,679</u>
<b>Depreciation</b>					
At 1 September 2019	1,328,162	1,721,999	316,215	7,473	3,373,849
Charge for the year	268,675	424,389	17,233	-	710,297
At 31 August 2020	<u>1,596,837</u>	<u>2,146,388</u>	<u>333,448</u>	<u>7,473</u>	<u>4,084,146</u>
<b>Net book value</b>					
At 31 August 2020	<u>13,316,509</u>	<u>163,204</u>	<u>32,820</u>	<u>-</u>	<u>13,512,533</u>
At 31 August 2019	<u>13,121,783</u>	<u>490,415</u>	<u>36,762</u>	<u>-</u>	<u>13,648,960</u>

17. Debtors

	2020 £	2019 £
<b>Due within one year</b>		
Other debtors	297	270
Prepayments and accrued income	659,864	153,104
VAT recoverable	12,649	32,729
	<u>672,810</u>	<u>186,103</u>

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

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	104,054	118,757
Other creditors	71,575	92,487
Accruals and deferred income	364,123	296,937
	<u>539,752</u>	<u>508,181</u>

	2020 £	2019 £
Deferred income at 1 September 2019	157,051	144,472
Resources deferred during the year	170,179	157,051
Amounts released from previous periods	(157,051)	(144,472)
	<u>170,179</u>	<u>157,051</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 20/21 year.

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

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Staff absence	50,000	-	-	(50,000)	-	-
<b>General funds</b>						
General funds	35,138	485,221	(375,304)	23,685	-	168,740
<b>Total Unrestricted funds</b>	<b>85,138</b>	<b>485,221</b>	<b>(375,304)</b>	<b>(26,315)</b>	<b>-</b>	<b>168,740</b>
<b>Restricted general funds</b>						
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 School Improvement Fund	16,000	-	(12,583)	-	-	3,417
Teachers's pay & pension grant	-	266,314	(266,314)	-	-	-
Pension reserve	(4,050,000)	-	(363,000)	-	(534,000)	(4,947,000)
	<b>(3,795,084)</b>	<b>6,355,528</b>	<b>(6,764,830)</b>	<b>(8,205)</b>	<b>(534,000)</b>	<b>(4,746,591)</b>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred 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 grants	146,651	28,421	(32,360)	-	-	142,712

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

19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
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>
<b>Total Restricted funds</b>	<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>
<b>Total funds</b>	<u>9,991,371</u>	<u>7,801,393</u>	<u>(7,850,431)</u>	<u>-</u>	<u>(534,000)</u>	<u>9,408,333</u>

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

**Restricted funds**

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

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

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

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

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

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

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

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

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

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.

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

19. Statement of funds (continued)

**Fixed Asset Funds**

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

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

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

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Oldway Primary	187,876	106,606
Roselands Primary	86,319	148,485
Shiphay Learning Academy	(66,835)	(76,556)
Central Services	(14,928)	(53,355)
Teaching School	176,717	214,874
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	369,149	340,054
Restricted fixed asset fund	13,986,184	13,701,317
Pension reserve	(4,947,000)	(4,050,000)
	<hr/>	<hr/>
<b>Total</b>	<b>9,408,333</b>	<b>9,991,371</b>
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

	Deficit £
Shiphay Learning Academy	<u>(66,835)</u>

Fund balances as at 31 August 2019 have been restated and split out to show Central and Teaching School, this gives a more appropriate reflection on the overall Trust's reserves position, there has been no change to the total carried forward reserves at 31 August 2019.

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

The Trust had restructured staffing and had expected to significantly reduce the deficit position at Shiphay during 19/20. However due to financial pressures brought about by the pandemic, which increased costs whilst significantly reducing income, this was not the case. The impact of restructuring would mean year on year savings in addition to increased per pupil funding which enabled the Trust to set a balanced budget and contribution to reserves.

**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 2020 £	Total 2019 £
Oldway Primary (including central services)	2,292,521	547,756	170,597	458,327	3,469,201	3,342,559
Roselands Primary	1,086,368	199,168	46,700	144,155	1,476,391	1,315,579
Shiphay Learning Academy	1,283,492	214,881	99,684	234,189	1,832,246	2,004,938
<b>Trust</b>	<u>4,662,381</u>	<u>961,805</u>	<u>316,981</u>	<u>836,671</u>	<u>6,777,838</u>	<u>6,663,076</u>

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

19. Statement of funds (continued)

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

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

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

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	9,945,499	4,196,519	(653,872)	(63,424)	-	13,424,722
Fixed assets purchased from GAG and other restricted funds	12,583	-	(5,413)	3,074	-	10,244
DfE/ESFA capital grants	73,321	82,732	(16,030)	6,828	-	146,651
Donated assets	458	-	(458)	-	-	-
Other donations	4,037	6,036	(1,749)	-	-	8,324
Capital improvement fund	-	-	(758)	112,134	-	111,376
	<u>10,035,898</u>	<u>4,285,287</u>	<u>(678,280)</u>	<u>58,412</u>	<u>-</u>	<u>13,701,317</u>
<b>Total Restricted funds</b>	<u>8,247,787</u>	<u>9,498,869</u>	<u>(7,103,761)</u>	<u>55,338</u>	<u>(792,000)</u>	<u>9,906,233</u>
<b>Total funds</b>	<u>8,491,609</u>	<u>10,132,118</u>	<u>(7,840,356)</u>	<u>-</u>	<u>(792,000)</u>	<u>9,991,371</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	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)
<b>Total</b>	<u>168,740</u>	<u>(4,746,591)</u>	<u>13,986,184</u>	<u>9,408,333</u>

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

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(49,038)	2,291,762
<b>Adjustments for:</b>		
Depreciation	710,297	678,282
Capital grants from DfE and other capital income	(469,641)	(82,732)
Interest receivable	(3,549)	(5,662)
Defined benefit pension scheme cost less contributions payable	288,000	429,000
Defined benefit pension scheme finance cost	75,000	70,000
Increase in debtors	(486,707)	(21,253)
Increase/(decrease) in creditors	31,571	(67,876)
Transfer in of school	-	(3,226,096)
<b>Net cash provided by operating activities</b>	<b>95,933</b>	<b>65,425</b>

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	3,549	5,662
Purchase of tangible fixed assets	(573,870)	(198,588)
Capital grants from DfE Group	469,641	82,732
<b>Net cash used in investing activities</b>	<b>(100,680)</b>	<b>(110,194)</b>

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	119,144	123,971
Notice deposits (less than 3 months)	590,598	590,518
<b>Total cash and cash equivalents</b>	<b>709,742</b>	<b>714,489</b>

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

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24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	714,489	(4,747)	709,742
	<u>714,489</u>	<u>(4,747)</u>	<u>709,742</u>

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

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**25. 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 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £71,575 were payable to the schemes at 31 August 2020 (2019 - £51,185) 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 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £718,343 (2019 - £498,865).

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.

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

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £419,000 (2019 - £385,000), of which employer's contributions totalled £331,000 (2019 - £295,000) and employees' contributions totalled £ 88,000 (2019 - £90,000). The agreed contribution rates for future years are 17.6 per cent for employers plus a monetary amount of £48,000 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

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.9	22.5
Females	24.1	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	25.5	26.2

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

25. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(215)	(194)
Discount rate -0.1%	221	200
Mortality assumption - 1 year increase	309	280
Mortality assumption - 1 year decrease	(299)	(270)
CPI rate +0.1%	196	173
CPI rate -0.1%	(191)	(168)

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

	2020 £	2019 £
Equities	2,228,000	2,136,000
Gilts	131,000	124,000
Bonds	176,000	65,000
Property	297,000	303,000
Cash	43,000	46,000
Other assets	858,000	798,000
<b>Total market value of assets</b>	<b>3,733,000</b>	<b>3,472,000</b>

The actual return on scheme assets was £13,000 (2019 - £141,000).

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

	2020 £	2019 £
Current service cost	(709,000)	(619,000)
Past service cost	-	(105,000)
Interest income	68,000	83,000
Interest cost	(143,000)	(153,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	90,000	(907,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(694,000)</b>	<b>(1,701,000)</b>

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

25. Pension commitments (continued)

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

	2020 £	2019 £
<b>At 1 September</b>	<b>7,522,000</b>	<b>3,791,000</b>
Current service cost	709,000	619,000
Interest cost	143,000	153,000
Employee contributions	88,000	90,000
Actuarial losses	405,000	849,000
Benefits paid	(2,000)	(64,000)
Past service costs	-	105,000
Liabilities assumed / (extinguished) on settlements	(185,000)	1,979,000
<b>At 31 August</b>	<b>8,680,000</b>	<b>7,522,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>3,472,000</b>	<b>1,939,000</b>
Interest income	70,000	84,000
Actuarial (losses)/gains	(129,000)	57,000
Employer contributions	331,000	295,000
Employee contributions	88,000	90,000
Benefits paid	(2,000)	(64,000)
Administration expenses	(2,000)	(1,000)
Settlement prices received / (paid)	(95,000)	1,072,000
<b>At 31 August</b>	<b>3,733,000</b>	<b>3,472,000</b>

26. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	28,847	3,338
Later than 1 year and not later than 5 years	89,060	1,500
	<b>117,907</b>	<b>4,838</b>

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

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**27. Members' liability**

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

**28. Related party transactions**

Owing to the nature of the Trust 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 £6,000, this transaction was completed at cost and was supported by a statement of assurance. At 31 August 2020 the amount owed to Bay Education Trust was £Nil (2019: £Nil).

In the year a spouse of a Trustee, was employed by the Academy Trust. Remuneration in the range of £15,000 - £20,000 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.

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

29. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
Grant income	40,000		40,000	
Membership income	59,826		85,923	
SSIF	-		3,570	
Other	9,690		23,858	
<b>Total direct income</b>	<u>109,516</u>		<u>153,351</u>	
<b>Other income</b>				
Funds transferred in	-		197,108	
<b>Total income</b>		<b>109,516</b>		<b>350,459</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Staff costs	44,551		77,392	
<b>Other expenditure</b>				
Resources	33,122		58,193	
<b>Total expenditure</b>		<b>77,673</b>		<b>135,585</b>
<b>Transfers between funds excluding depreciation</b>		<b>(70,000)</b>		<b>-</b>
<b>(Deficit)/surplus from all sources</b>		<b>(38,157)</b>		<b>214,874</b>
<b>Teaching school balances at 1 September 2019</b>		<b>214,874</b>		<b>-</b>
<b>Teaching school balances at 31 August 2020</b>		<b><u>176,717</u></b>		<b><u>214,874</u></b>

