

**Company Registration No. 08104080 (England and Wales)**

**RIVERSIDE PRIMARY ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

# RIVERSIDE PRIMARY ACADEMY

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# RIVERSIDE PRIMARY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr W Pickard  
Mrs J Goodfellow  
Mrs J Earl

### Governors

Mr W Pickard (Chair) \*  
Mrs J Goodfellow (Accounting Officer) \*  
Miss L Smith  
Mrs G Rutherford (Business Manager) \*  
Mrs J Earl  
Ms M Mitford (Resigned 16 September 2014) \*  
Mr P Tomlinson \*  
Mr J McGowan \*  
Mrs P Dillon (Vice Chair)  
Miss T Rocks

\* members of the finance committee

### Senior management team

- Headteacher	Mrs J Goodfellow
- Deputy Headteacher	Miss L Smith
- Business Manager	Mrs G Rutherford

### Company secretary

Mrs G Rutherford

### Company registration number

08104080 (England and Wales)

### Registered office

Colliery Road  
Dunston  
Gateshead  
Tyne & Wear  
NE11 9DX

### Independent auditor

Evolution Business and Tax Advisors LLP  
10 Evolution  
Wynyard Park  
Wynyard  
TS22 5TB

### Bankers

Lloyds Bank  
44 Front Street  
Newcastle Upon Tyne  
NE16 4DS

### Solicitors

Burnetts  
6 Victoria Place  
Carlisle  
Cumbria  
CA1 1ES

# **RIVERSIDE PRIMARY ACADEMY**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2014***

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The governors' present their annual report together with the accounts and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils age 3 to 11 serving a catchment area in Dunston, Gateshead. It has a pupil capacity of 270 and had a roll of 246 in the school census on May 2014.

#### **Structure, governance and management**

##### Constitution

The academy trust was incorporated and commenced operation on 1 July 2012 and is a company limited by guarantee and an exempt charity, 8104080. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and management of the academy. The governors of Riverside Primary Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Riverside Primary Academy.

Details of the governors who served throughout the period between 1 September 2013 and 31 August 2014, are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00 for the debts and liabilities contracted before they cease to be a member. This guarantee is outlined in the academy's Memorandum and Articles of Association confirming this liability.

##### Governors' indemnities

Subject to the provisions of the Companies Act 2006 every governor or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

# RIVERSIDE PRIMARY ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Method of recruitment and appointment or election of governors

Membership is determined in accordance with the composition set out in the Memorandum and Articles.

- The members may appoint up to 6 governors;
- The members may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the academy trust does not exceed one third of the total number of governors;
- The Principal shall be treated for all purposes as being an ex officio governor; and
- Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time when he is elected.

#### Co-opted governors

The governors may appoint up to 3 co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the academy trust as a co-opted governor if thereby the number of governors who are employees of the academy trust would exceed one third of the total number of governors (including the Principal).

The term of office for any governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

#### Policies and procedures adopted for the induction and training of governors

The training and induction of governors is dependent on their experiences and skills. All new governors are given a tour of the academy, and can speak at length with the Head Teacher and the Chair, and given access to all relevant policies and documents pertinent to their role as governors in order for them to be fully familiar with the needs of the academy and discharge their duties effectively.

#### Organisational structure

The governors have an overall responsibility for the financial management and risk management of the academy. They were also responsible for the initial appointment of the governing body.

The governors have responsibility for the day to day management and effectiveness of statutory and non-statutory policies and procedures in all areas of the school. Four teams of governors lead and manage the school:

- The Strategic Team is responsible for school strategic and financial decisions;
- The Curriculum Team manage the curriculum issues and developments;
- The Health and Safety Team manage the effectiveness of health and safety (including safeguarding); and
- The Academy Matters Team can be called upon for general day to day issues.

The Head Teacher and leadership team manages the day to day running of the school on behalf of the governing body, ensuring compliance with statutory guidance. They formulate policies and practices and report to the governing body on the effectiveness of their methods and procedures.

The Head Teacher is the Accounting Officer.

#### Connected organisations including related party relationships

- Riverside Primary Academy is a main partner for the federated Teaching School located in St. Aidan's C of E Primary School and St Mary & St Thomas Aquinas RC Voluntary Aided Primary School, Gateshead.
- The Head Teacher works as a Local Leader of Education, supporting other schools and is a facilitator for the National College for Teaching and Leadership, delivering training on middle leadership.
- The Head Teacher is presently training with CfBT to become an Additional Ofsted Inspector.

# **RIVERSIDE PRIMARY ACADEMY**

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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### **Objectives and activities**

#### Objects and aims

Our primary objective of Riverside Primary Academy is to be an outstanding school in which we aim to deliver a first class education to our children and a good level of support for our families and local community.

- It is an independent school;
- It has a broad curriculum satisfying the requirements of section 78 of the Education Act 2002 (balanced and broad curriculum);
- It provides education for pupils of different abilities;
- It provides education for the pupils who are wholly or mainly drawn from the area in which the school is situated; and
- It is not an alternative provision academy.

#### Objectives, strategies and activities

Having achieved our objective of being graded by Ofsted as an outstanding school, we aim to sustain the quality of our teaching and learning for every pupil and share our good practice with other schools within a system leadership approach.

Our school will support, wherever possible, and wherever achievable without any detriment to our own school or pupils, any other school who requests it.

We continue to work on standards of attainment to ensure children achieve the maximum potential in educational outcomes.

#### Public benefit

All activities undertaken to further Riverside Primary Academy's purposes for the public benefit can be found on the school website, in school newsletters and in minutes of meetings.

Riverside Primary Academy trustees have complied with our duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

### **Strategic report**

#### Achievements and performance

This second year of academy status has seen a continued development on the first successful year. The school's OFSTED inspection in March 2013 was reported to be 'Outstanding' in all areas and the governors, leadership and staff have striven to maintain these standards. The school has particularly focused on writing and channelled funds from pupil premium to enhancing teaching and raising standards of pupils eligible for free school meals.

The Department of Education awarded the academy Targeted Basic Needs funding for the school to have sufficient space for an additional 210 children in August 2013. This year has absorbed much time in planning to ensure the facility will compliment the needs and requirements of the academy as we move forward to a two form entry school. The structure is now underway and on schedule to be complete in time for pupils from September 2015. The application for the funding was made by, and funding will be held by, Gateshead Local Authority. In readiness for the new school the local authority requested that we increased our reception intake in September 2014 hence we are a fast growing school.

Riverside Primary Academy also submitted two bids to ACMF for window replacement and heating replacement. We enjoyed success in the heating project but unfortunately not the windows. The project has been managed by AA Projects and commenced in August 2014 and will be complete by the end of November 2014. This will make a huge difference to wellbeing, and to providing pupils with an adequate environment for learning. The condition of the windows continues to be a huge concern to the governors.

An example of standards is the 2014 SAT results for the Y6 pupils.

# RIVERSIDE PRIMARY ACADEMY

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

### Year 6

WRITING	End of Yr. 6 Assessment (NATIONAL IS 4B OR APS 27)	
Gifted And Talented Level 6		76.4% On track or above
More Able Level 5	23.5%	
On Track Level 4 including 4C, 4B and 4A	52.9%	
Target Group Level 3	17.6%	3 pupils
SEN	5.8%	1 statemented pupil not entered

### Year 6

READING		
Gifted And Talented		88.8% On track or above
More Able Level 5	52.9%	
On Track Level 4 including 4C, 4B and 4A	35.2%	
Target Group Level 3	5.8%	1 pupil
SEN	5.8%	1 statemented pupil not entered

### Year 6

Maths		
Gifted And Talented Level 6	17.6%	93.9% On track or above
More Able Level 5	35.2%	
On Track Level 4 including 4C, 4B and 4A	41.1%	
Target Group Level 3		
SEN	5.8%	1 statemented pupil not entered

# RIVERSIDE PRIMARY ACADEMY

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

### Year 6

SPAG		
Gifted And Talented Level 6		88.1% On track or above
More Able Level 5	70.5%	
On Track Level 4 including 4C, 4B and 4A	17.6%	
Target Group Level 3	5.8%	1 pupil – new to school in YR.6
SEN	5.8%	1 statemented pupil not entered

### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that Riverside Primary Academy 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.

### Key performance indicators

Riverside Primary Academy abides by key financial indicators. The academy has appointed an auditor and an accountant and has written its own financial handbook.

Most of the academy's income is received from the Education Funding Agency [EFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 18. Details of all grants and income received can be found in notes 2 to 5.

At 31 August 2014 the net book value of fixed assets was £1,540,322. The assets were used exclusively to provide education and associated services to the students of the academy.



# RIVERSIDE PRIMARY ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Financial review

The academy made an operating surplus in the period September 2013 to August 2014 of £40,779 comprising of £6,718 unrestricted funds and £34,061 on restricted funds.

Total income in the period was £1,271,858 of which £1,001,700 came from the EFA, £8,725 from Sports funding, £84,912 from pupil premium. The remainder of the income was from other government grants.

The governing body of the academy have adopted/ confirmed the following policies relating to finance and governance during the period 1 September 2013 to 31 August 2014.

- Scheme of Delegation
- Finance Handbook
- Fraud Policy
- Risk Management Register

The Department of Education has awarded the academy Targeted Basic Needs funding for the school to have sufficient new building space for an additional 210 children. The building work is due to be complete in time for the school to be open from September 2015. The application for the funding was made by, and funding will be held by, Gateshead Local Authority. An amount of £35K will be the academy's contribution to the new building. This funding will make the basic provision into a more valuable space to accommodate small learning areas and rooms for agencies that the school works with on a regular basis. The governors felt this was essential in providing the right learning environment for our school context.

The academy's reserves are being held for the contribution towards the new building, our contribution towards the heating project and to fund the 2014/15 deficit budget which was set and agreed by the governors in July 2014. The deficit budget was due to numbers rising from 181 in the October 2013 census from which the GAG is set to 203 in September 2014. The local authority has no contingency for the rise in numbers. Also reserves will be used to develop the vision for the Early Years Foundation Stage into a provision this will enhance the learning of our youngest pupils and accommodate the growing numbers in the lower part of the school.

#### Reserves policy

The governing body is responsible for determining the level of financial reserves to be carried forward at the end of any financial period (31 August).

The governing body has delegated the monitoring of any reserves to the Strategic Team who as part of their terms of reference oversee finance.

The governing body will consider the improvement plan for capital developments required.

The governing body will always try to match income with expenditure and will carry forward reserves that it considers necessary for future periods of expenditure.

The governing body may accumulate reserve funds raised from private sources to defray for the benefit of the academy in future years.

During the year 2013 -14 the governing body have agreed to reasonable levels of reserves to support the needs of the extension to the school, adequate staffing levels and to provide a provision that will enhance the learning and overall value of the academy.

The reserves policy will be reviewed annually.

# RIVERSIDE PRIMARY ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Investment policy and powers

The academy's deposit account was opened in October 2014 and has generated interest for the academy. It holds the funds for agreed contribution towards the new building, the contribution towards the heating project and to accommodate the deficit budget. Funds in the account have been rolled over on a short term basis of varying amounts to ensure funds were always available for unforeseen circumstances so maximising the academy's income without risk. The financial handbook reflects this decision.

The Strategic Team (responsible for finance) will monitor the amount/time period of money in the deposit account.

It is our aim to spend the publicly funded monies which we are entrusted with for the direct education benefit of our pupils as soon as is prudent. The academy does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

#### Implementation

The school will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the academy. From time to time, operational and strategic decisions related to the education of students at Riverside Primary Academy will result in substantial cash balances at the bank over a sustained period. These periods are identified by the academy's Business Manager as part of their normal forecasting activity and, when identified, will result in the academy using their deposit account in accordance with any guidance provided in the Academy's Financial Handbook.

#### Principles

The academy 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.

#### Purposes

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements;
- To ensure there is no risk of loss in the capital value of any cash funds invested;
- To protect the capital value of any funds against inflation;
- Regular cash flows are to be prepared and monitored to ensure there are adequate funds to meet all payroll related commitments and outstanding creditors that are due for payment. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only with Lloyds TSB who are the current banking providers for the school; and
- The academy's Business Manager will seek approval from the Strategic Team who make up the Finance and Staffing Committee [F&S] before investing such funds and will provide a statement on any monies invested to the Strategic Team at their regular half termly meetings. Periodically (at least every 3 months) the Business Manager will review the interest rates being achieved and will compare with other investment opportunities to ensure the investment funds are delivering value for money.

#### Principal risks and uncertainties

The academy maintains a risk register; last reviewed in July 2014 by the Strategic Team to ensure that satisfactory arrangements are in place to manage risk. The academy has adopted its own financial handbook which has been approved and accepted at a governing body meeting in November 2012. This was last reviewed in March 2014. There is an annual review of all risk management however there is ongoing review in response to situations or new legislation or information.

# **RIVERSIDE PRIMARY ACADEMY**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2014**

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A risk management plan continues to be developed and risks are regularly reviewed in accordance with the academy's risk register reviewed by the finance team and the governing body in July 2014.

The indication from the LA Admissions of rising pupil numbers in the local area over the next few years should be accommodated by the additional classrooms being built at present from the Targeted Basic Needs Funding. The building due to be open in September 2015 will be able to accommodate the predicted growing numbers however the academy will need to show vigilance as pupil numbers will grow gradually over a number of years and the running of a second building will need to be budgeted carefully.

The academy has set a deficit budget for the year 2014/2015. The deficit will be taken from the reserves of the academy and was necessary to ensure legal ratios of staff to pupils. With growing numbers and budgets set by the EFA based on census numbers in October 2013, the cost of staffing to ensure legal ratios outstretched the available GAG. Although the local authority have no contingency in their planning for this year we are assured this will be allocated from September 2015.

As an outstanding academy (inspected March 2013) the governors and leadership team are fully aware of the challenge to sustain this high standard to our pupils. We continue to strive to maintain standards through effective and efficient use of resources. Attendance improved from the previous academic year and stood at 96% for the year 2013/2014. This is an indication of the quality of teaching and learning from committed staff who ensure learning is fun and appropriate which results in pupils wanting to come to school. All staff employed on conversion to academy (July 2012) still remain with us apart from one member who progressed to her own Headship. The governors do not underestimate the challenge in maintaining quality staff and their value to the school.

The Business Manager continues to work closely with Evolution Business and Tax Advisors LLP to ensure financial systems are secure.

#### **Plans for future periods**

The Academy Improvement Plan clearly states objectives to maintain the highest standards of achievement of all pupils whilst ensuring the school moves forward within a rapidly changing world.

- Raise standards of attainment and increase progress in English and Mathematics in all year groups to secure greater % Level 5/6 attainment;
- Improve the quality of teaching and learning in all classes to ensure outstanding outcomes for pupils [Continuing Professional Development];
- Improve the quality of learning and resourcing in the Early Years Foundation Stage [EYFS] with particular reference to the development of the outdoor area;
- Improve the consistency of curriculum provision mapping and planning to improve attainment, increase progress and instigate improvements in learning through a varied and versatile curriculum and computerisation improvements [iPads and Apple technology]. Also concentrating on a continued focus on grammar, spelling, punctuation and writing in general; and
- To develop systems and our partnership with the federated Teaching School to secure improvements for greater numbers of pupils within and beyond our immediate school [through developing the teacher training programme and mentoring a student from the course to a high standard].

# RIVERSIDE PRIMARY ACADEMY

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Auditor**

In so far as the governors are aware:

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

A resolution proposing that Evolution Business and Tax Advisors LLP be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on ~~4.12.14~~ <sup>12.11.14</sup> and signed on its behalf by:



Mr W Pickard  
**Chair**

# RIVERSIDE PRIMARY ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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 Riverside Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
Mr W Pickard (Chair)	2	3
Mrs J Goodfellow (Accounting Officer)	3	3
Miss L Smith	3	3
Mrs G Rutherford (Business Manager)	2	3
Mrs J Earl	3	3
Ms M Mitford (Resigned 16 September 2014)	3	3
Mr P Tomlinson	2	3
Mr J McGowan	3	3
Mrs P Dillon (Vice Chair)	3	3
Miss T Rocks	2	3

### Governance reviews

In November 2013 a governors' skills review was undertaken to establish the strength of current expertise and skill levels within the membership and to identify any areas for development. The academy found that the membership consists of members with both business and education experience. Training and development for all governors has been on-going throughout the year.

The next skills review will take place in November 2014 with training and development to be structured around findings.

Now the Academy has established itself governors have requested a review of their roles and responsibilities, to update knowledge and to remind governors of their full duties. This has been planned to take place in November 2014 and will be presented by the academy's solicitors.

# RIVERSIDE PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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

- to assist the decision making of the board of trustees, by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees' responsibility to ensure sound management of the academy's finances, staffing and resources, including proper planning, monitoring and probity;
- to advise on the adequacy and effectiveness of the academy's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money); and
- to make appropriate comments and recommendations on such matters to the board of trustees on a regular basis. Major issues will be referred to the full board of trustees for ratification.

This committee has taken on the role of audit.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr W Pickard (Chair)	3	3
Mrs J Goodfellow (Accounting Officer)	3	3
Mrs G Rutherford (Business Manager)	3	3
Ms M Mitford (Resigned 16 September 2014)	2	3
Mr P Tomlinson	2	3
Mr J McGowan	2	3

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Riverside Primary Academy for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The governing body 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 governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

#### The risk and control framework

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

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

# RIVERSIDE PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Evolution Business and Tax Advisors LLP, the external auditor, to perform additional checks. The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The auditor has delivered their schedule of work as planned. Minor issues have been raised and addressed by the governors and management on a timely basis. No significant weaknesses or discrepancies have been highlighted.

### **Review of effectiveness**

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Leadership Team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of governors on 4.12.14 and signed on its behalf by:



Mr W Pickard  
Chair



Mrs J Goodfellow  
Accounting Officer

# **RIVERSIDE PRIMARY ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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As accounting officer of Riverside Primary Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency [EFA] of material irregularity, impropriety and non compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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 the EFA.

Approved on 4.12.14 and signed by:

*J Goodfellow*

Mrs J Goodfellow  
**Accounting Officer**



# RIVERSIDE PRIMARY ACADEMY

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The Governors (who act as trustees for charitable activities and are also directors of Riverside Primary Academy for the purposes of Company Law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

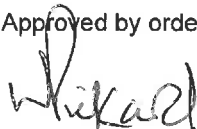
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 board of governors on 4.12.14... and signed on its behalf by:



Mr W Pickard

Chair

# **RIVERSIDE PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RIVERSIDE PRIMARY ACADEMY**

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We have audited the accounts of Riverside Primary Academy for the year ended 31 August 2014 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

This report is made solely to the charitable company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 15, the governors, who are also the directors of Riverside Primary Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# RIVERSIDE PRIMARY ACADEMY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RIVERSIDE PRIMARY ACADEMY

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Joanne Regan FCA (Senior Statutory Auditor)**  
**Evolution Business and Tax Advisors LLP**

### Chartered Accountants

#### Statutory Auditor

10 Evolution  
Wynyard Park  
Wynyard  
TS22 5TB

Dated: 15 December 2014

# **RIVERSIDE PRIMARY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RIVERSIDE PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 24 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Riverside Primary Academy during the period 1 September 2013 to 31 August 2014 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 Riverside Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Riverside Primary Academy and the EFA 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 the Riverside Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Riverside Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Riverside Primary Academy's funding agreement with the Secretary of State for Education dated 29 June 2012 and the Academies Financial Handbook, extant from 1 September 2013, 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 2014. 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 period 1 September 2013 to 31 August 2014 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 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer;
- discussions with Accounting Officer and finance team;
- review of termly Internal Assurance reports;
- review of governing body and committee minutes;
- review of finance and other relevant policies;
- review of payroll, purchases and expenses on a sample basis;
- review of debit card transactions;
- review of all leases in place; and
- consideration of transactions with related parties.

# RIVERSIDE PRIMARY ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RIVERSIDE PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Evolution*

### Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: *15 December 2014*

# RIVERSIDE PRIMARY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<b><u>Incoming resources</u></b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	2	2,528	-	-	2,528	-
- Inherited on conversion		-	-	-	-	1,500,397
- Activities for generating funds	3	56,085	-	-	56,085	62,386
- Investment income	4	545	-	-	545	260
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	9,300	1,042,144	161,256	1,212,700	1,239,102
<b>Total incoming resources</b>		<b>68,458</b>	<b>1,042,144</b>	<b>161,256</b>	<b>1,271,858</b>	<b>2,802,145</b>
<b><u>Resources expended</u></b>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	55,940	-	-	55,940	50,850
<i>Charitable activities</i>						
- Educational operations	7	5,800	988,238	39,894	1,033,932	1,062,520
Governance costs	8	-	24,142	-	24,142	39,193
<b>Total resources expended</b>	<b>6</b>	<b>61,740</b>	<b>1,012,380</b>	<b>39,894</b>	<b>1,114,014</b>	<b>1,152,563</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>6,718</b>	<b>29,764</b>	<b>121,362</b>	<b>157,844</b>	<b>1,649,582</b>
Gross transfers between funds		-	4,297	(4,297)	-	-
<b>Net income/(expenditure) for the year</b>		<b>6,718</b>	<b>34,061</b>	<b>117,065</b>	<b>157,844</b>	<b>1,649,582</b>
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	33,000	-	33,000	(38,000)
<b>Net movement in funds</b>		<b>6,718</b>	<b>67,061</b>	<b>117,065</b>	<b>190,844</b>	<b>1,611,582</b>
Fund balances at 1 September 2013		103,193	(53,996)	1,562,385	1,611,582	-
<b>Fund balances at 31 August 2014</b>		<b>109,911</b>	<b>13,065</b>	<b>1,679,450</b>	<b>1,802,426</b>	<b>1,611,582</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# RIVERSIDE PRIMARY ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,540,322		1,562,385
<b>Current assets</b>					
Debtors	12	192,520		77,984	
Cash at bank and in hand		400,239		289,393	
		592,759		367,377	
Creditors: amounts falling due within one year	13	(142,655)		(97,180)	
<b>Net current assets</b>			450,104		270,197
<b>Total assets less current liabilities</b>			1,990,426		1,832,582
Defined benefit pension liability	17	(188,000)		(221,000)	
<b>Net assets</b>			1,802,426		1,611,582
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>	15				
- Fixed asset funds			1,679,450		1,562,385
- General funds			201,065		167,004
- Pension reserve			(188,000)		(221,000)
<b>Total restricted funds</b>			1,692,515		1,508,389
<b>Unrestricted funds</b>	15		109,911		103,193
<b>Total funds</b>			1,802,426		1,611,582

The accounts were approved by order of the board of governors and authorised for issue on 4.12.14



Mr W Pickard  
Chair

Company Number 08104080

# RIVERSIDE PRIMARY ACADEMY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	18	(33,124)	206,051
Cash funds transferred on conversion		-	91,397
<b>Returns on investments and servicing of finance</b>			
Investment income	545	260	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		545	260
		(32,579)	297,708
<b>Capital expenditure and financial investments</b>			
Capital grants received	161,256	2,585	
Payments to acquire tangible fixed assets	(17,831)	(10,900)	
<b>Net cash flow from capital activities</b>		143,425	(8,315)
<b>Increase/(decrease) in cash</b>	19	110,846	289,393



# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **1.2 Going concern**

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts.

#### **1.3 Conversion to an academy trust**

In the previous year, the conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Riverside Primary Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

#### **1.4 Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### **Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

#### Other income

Other income, including catering and income from school clubs, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

#### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

### 1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

#### Charitable activities

These are costs incurred on the academy trust's educational operations.

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### 1.6 Tangible fixed assets and depreciation

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Land and buildings	40 years
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

(Continued)

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 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Taxation

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

#### 1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department for Education and Local Authority.

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies (Continued)

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	2,528	-	2,528	-

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Catering income	27,470	-	27,470	29,171
Clubs income	19,481	-	19,481	10,537
Trips income	5,554	-	5,554	4,189
Other income	3,580	-	3,580	18,489
	56,085	-	56,085	62,386

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	545	-	545	260

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	840,444	840,444	1,036,006
Start up grants	-	-	-	25,000
Capital grants	-	161,256	161,256	2,585
Other DfE / EFA grants	-	93,637	93,637	62,080
	-	1,095,337	1,095,337	1,125,671
<b>Other government grants</b>				
Local authority grants	-	5,721	5,721	13,084
Other grants	-	102,342	102,342	100,347
	-	108,063	108,063	113,431
<b>Other funds</b>				
Other incoming resources	9,300	-	9,300	-
<b>Total funding</b>	9,300	1,203,400	1,212,700	1,239,102

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	607,654	-	67,293	674,947	738,920
- Allocated support costs	137,011	105,575	116,399	358,985	323,600
	744,665	105,575	183,692	1,033,932	1,062,520
<b>Other expenditure</b>					
Costs of activities for generating funds	17,706	-	38,234	55,940	50,850
Governance costs	-	-	24,142	24,142	39,193
	17,706	-	62,376	80,082	90,043
<b>Total expenditure</b>	762,371	105,575	246,068	1,114,014	1,152,563

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2014 £	2013 £
Operating leases		
- Plant and machinery	19,834	15,563
Fees payable to auditor		
- Audit	6,000	4,000
- Other non-audit fees	9,076	6,749

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	5,800	594,587	600,387	690,306
Technology costs	-	23,141	23,141	19,937
Educational supplies and services	-	36,302	36,302	21,492
Staff development	-	7,267	7,267	-
Educational consultancy	-	2,595	2,595	-
Other direct costs	-	5,255	5,255	7,185
	5,800	669,147	674,947	738,920
<b>Allocated support costs</b>				
Support staff costs	-	137,011	137,011	111,418
Depreciation	-	39,894	39,894	43,515
Maintenance of premises and equipment	-	65,681	65,681	49,841
Cleaning	-	18,948	18,948	17,951
Energy costs	-	17,201	17,201	17,092
Rent and rates	-	14,410	14,410	10,226
Insurance	-	32,144	32,144	24,377
Security and transport	-	545	545	1,430
Catering	-	28,599	28,599	36,090
Interest and finance costs	-	(1,000)	(1,000)	1,000
Other support costs	-	5,552	5,552	10,660
	-	358,985	358,985	323,600
<b>Total costs</b>	5,800	1,028,132	1,033,932	1,062,520

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	7,866	7,866	26,795
Auditor's remuneration				
- Audit of financial statements	-	6,000	6,000	4,000
- Other non-audit fees	-	9,076	9,076	6,749
Other governance costs	-	1,200	1,200	1,649
	-	24,142	24,142	39,193

### 9 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2014 Number	2013 Number
Teachers	17	15
Administration and support	6	6
Management	2	2
	25	23

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	619,052	668,015
Social security costs	36,327	42,946
Other pension costs	97,957	98,667
	753,336	809,628
Supply teacher costs	1,768	1,143
Staff development and other staff costs	7,267	5,258
	762,371	816,029

There were no employees whose annual remuneration was £60,000 or more.

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 10 Governors' remuneration and expenses

The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, from the academy trust in respect of their role as governors. During the year, no expenses were reimbursed to governors (2013: £nil).

The value of governors' remuneration was as follows:

J Goodfellow (headteacher) £55,001 - £60,000 (2013: £60,001 - £65,000)

L Smith (staff) £40,001 - £45,000 (2013: £45,001 - £50,000)

G Rutherford (staff) £25,0001 - £30,000 (2013: £30,001 - £35,000)

The 2013 figures cover a fourteen month period.

Other related party transactions involving the governors are set out within the related parties note.

#### Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £250,000 on any one claim and the cost for the year ended 31 August 2014 was £382 (2013: £382).

#### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2013	1,595,000	2,704	8,196	1,605,900
Additions	-	1,339	16,492	17,831
At 31 August 2014	1,595,000	4,043	24,688	1,623,731
<b>Depreciation</b>				
At 1 September 2013	42,350	626	539	43,515
Charge for the year	36,300	1,002	2,592	39,894
At 31 August 2014	78,650	1,628	3,131	83,409
<b>Net book value</b>				
At 31 August 2014	1,516,350	2,415	21,557	1,540,322
At 31 August 2013	1,552,650	2,078	7,657	1,562,385

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the Education Funding Agency.



# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

<b>12 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	3,600
VAT recoverable	21,619	26,414
Prepayments and accrued income	170,901	47,970
	<u>192,520</u>	<u>77,984</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	54,477	44,806
Taxes and social security costs	11,494	12,149
Other creditors	12,239	13,440
Accruals	27,844	23,165
Deferred income	36,601	3,620
	<u>142,655</u>	<u>97,180</u>
<b>14 Deferred income</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>36,601</u>	<u>3,620</u>
Total deferred income at 1 September 2013	3,620	-
Amounts credited to the statement of financial activities	(3,620)	-
Amounts deferred in the year	<u>36,601</u>	<u>3,620</u>
<b>Total deferred income at 31 August 2014</b>	<u>36,601</u>	<u>3,620</u>

At the year end the academy was holding Early Years Funding and Universal Infant Free School Meals Grant received in advance.

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	167,004	840,444	(810,680)	4,297	201,065
Other DfE / EFA grants	-	93,637	(93,637)	-	-
Other government grants	-	108,063	(108,063)	-	-
	<u>167,004</u>	<u>1,042,144</u>	<u>(1,012,380)</u>	<u>4,297</u>	<u>201,065</u>
Funds excluding pensions	167,004	1,042,144	(1,012,380)	4,297	201,065
Pension reserve	(221,000)	-	-	33,000	(188,000)
	<u>(53,996)</u>	<u>1,042,144</u>	<u>(1,012,380)</u>	<u>37,297</u>	<u>13,065</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	161,256	-	(22,128)	139,128
Inherited fixed asset fund	1,552,650	-	(36,300)	-	1,516,350
Capital expenditure from GAG or other funds	9,735	-	(3,594)	17,831	23,972
	<u>1,562,385</u>	<u>161,256</u>	<u>(39,894)</u>	<u>(4,297)</u>	<u>1,679,450</u>
<b>Total restricted funds</b>	<u>1,508,389</u>	<u>1,203,400</u>	<u>(1,052,274)</u>	<u>33,000</u>	<u>1,692,515</u>
<b>Unrestricted funds</b>					
General funds	103,193	68,458	(61,740)	-	109,911
<b>Total funds</b>	<u>1,611,582</u>	<u>1,271,858</u>	<u>(1,114,014)</u>	<u>33,000</u>	<u>1,802,426</u>

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 15 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DfE/EFA grants includes pupil premium and sports grant.

Other grants include funding for pupils with special educational needs and Early Years Funding from the Local Authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants includes a devolved capital grant part of which has been utilised on non-capitalised maintenance during the period with the balance of £4,103 carried forward. It also includes Academies Capital Maintenance Fund grant, part of which has been utilised on expenditure which has not been capitalised for accounting purposes. A balance of £135,025 is carried forward which is allocated to project costs in the next accounting period.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

The academy's restricted general and unrestricted funds were £310,976 at 31 August 2014.

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	1,540,322	1,540,322
Current assets	109,911	343,720	139,128	592,759
Creditors: amounts falling due within one year	-	(142,655)	-	(142,655)
Defined benefit pension liability	-	(188,000)	-	(188,000)
	<u>109,911</u>	<u>13,065</u>	<u>1,679,450</u>	<u>1,802,426</u>

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tyne & Wear Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £12,239 (2013: £11,015) were payable to the schemes at 31 August 2014 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### 17 Pensions and similar obligations

(Continued)

#### Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.1% per cent for employers and 5.5% to 7.5% per cent for employees. The estimated value of employer regular contributions for the forthcoming year is £44,000 (2013 - £36,000).

As the LGPS is in deficit, the academy has been advised that additional shortfall contributions of £12,500 per annum should eliminate the deficit in 21 years.

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.

Contributions payable in the year were as follows:

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

	2014 £	2013 £
Employer's contributions	42,000	40,000
Employees' contributions	11,000	10,000
Total contributions	53,000	50,000

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.6	4.7
Rate of increase for pensions in payment	2.1	2.8
Discount rate for scheme liabilities	3.7	4.5
Inflation assumption (CPI)	2.1	2.8

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

	2014 Years	2013 Years
Retiring today		
- Males	23.0	21.7
- Females	24.6	23.9
Retiring in 20 years		
- Males	25.0	23.5
- Females	26.9	25.8

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	7.5	343,392	7.9	283,050
Government bonds	2.9	18,396	3.4	15,300
Corporate bonds	3.3	58,765	4.1	49,300
Cash	1.1	13,286	0.9	9,775
Property	6.8	46,501	7.4	37,825
Other assets	7.5	30,660	7.9	29,750
Total market value of assets		511,000		425,000
Present value of scheme liabilities - funded		(699,000)		(646,000)
Net pension asset / (liability)		(188,000)		(221,000)

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

A building block approach is used to determine the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at the accounting date.

#### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(31,000)	(27,000)
Interest on pension liabilities	30,000	28,000
	<u>(1,000)</u>	<u>1,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	43,000	36,000
Past service cost	-	-
	<u>43,000</u>	<u>36,000</u>
<b>Total operating charge/(income)</b>	<u>42,000</u>	<u>37,000</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	(6,000)	(25,000)
Experience (gains)/losses on liabilities	(27,000)	63,000
(Gains)/losses arising from changes in assumptions	-	-
<b>Total (gains)/losses</b>	<u>(33,000)</u>	<u>38,000</u>
<b>Cumulative (gains)/losses to date</b>	<u>5,000</u>	<u>38,000</u>

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Opening defined benefit obligations	(646,000)	-
Obligations acquired on conversion	-	(510,000)
Current service cost	(43,000)	(36,000)
Interest cost	(30,000)	(28,000)
Contributions by employees	(11,000)	(10,000)
Actuarial gains/(losses)	27,000	(63,000)
Benefits paid	4,000	1,000
	<u>(699,000)</u>	<u>(646,000)</u>

**Movements in the fair value of the academy trust's share of scheme assets:**

	2014 £	2013 £
Opening fair value of scheme assets	425,000	-
Assets acquired on conversion	-	324,000
Expected return on assets	31,000	27,000
Actuarial gains/(losses)	6,000	25,000
Contributions by employers	42,000	40,000
Contributions by employees	11,000	10,000
Benefits paid	(4,000)	(1,000)
	<u>511,000</u>	<u>425,000</u>

**History of experience gains and losses:**

	2014 £	2013 £
Present value of defined benefit obligations	(699,000)	(646,000)
Fair value of share of scheme assets	511,000	425,000
Surplus / (deficit)	<u>(188,000)</u>	<u>(221,000)</u>
Experience adjustment on scheme liabilities	27,000	(63,000)
Experience adjustment on scheme assets	6,000	25,000



# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	157,844	1,649,582
Capital grants and similar income	(161,256)	(2,585)
Net deficit/(surplus) transferred on conversion	-	(1,500,397)
Investment income	(545)	(260)
FRS17 pension costs less contributions payable	1,000	(4,000)
FRS17 pension finance income	(1,000)	1,000
Depreciation of tangible fixed assets	39,894	43,515
(Increase)/decrease in debtors	(114,536)	(77,984)
Increase/(decrease) in creditors	45,475	97,180
Net cash inflow/(outflow) from operating activities	(33,124)	206,051

### 19 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase/(decrease) in cash	110,846	289,393
Net funds at 1 September 2013	289,393	-
Net funds at 31 August 2014	400,239	289,393

### 20 Analysis of net funds

	At 1 September 2013 £	Cash flows £	Non-cash changes £	At 31 August 2014 £
Cash at bank and in hand	289,393	110,846	-	400,239

### 21 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
- Within one year	11,467	496
- Between two and five years	3,847	17,326
	15,314	17,822

# RIVERSIDE PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 22 Capital commitments

	2014	2013
	£	£
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	186,856	-

At the balance sheet date, the academy was committed to capital expenditure to upgrade the heating system and extend the school building.

#### 23 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

**Omnicom** - a company in which Mr P Tomlinson (a trustee of the trust) has a majority interest:

- The trust purchased ICT equipment and support from Omnicom totalling £6,499 (2013: £9,756) during the year. There were no amounts outstanding at 31 August 2014 (2013: £130).
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Tomlinson neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

#### 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.