

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 2016

RIVERSIDE PRIMARY ACADEMY

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RIVERSIDE PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr W Pickard (Chair)
Mrs J Goodfellow (Accounting Officer)
Miss L Smith
Mrs G Rutherford (Business Manager)
Mrs J Earl
Mr P Tomlinson
Mr J McGowan
Mrs P Dillon (Resigned 24 November 2016)
Mr P Marshall (Vice Chair) (Appointed 4 December 2015)
Mrs E Fearon (Appointed 4 December 2015)
Miss S Hopwood (Appointed 8 December 2015 and resigned 24 November 2016)

Members

Mr W Pickard
Mrs J Goodfellow
Mrs J Earl

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

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
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 2016

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. 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 215 in the school census on May 2016.

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, 08104080. 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 2015 and 31 August 2016, 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 2016

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 local authority may appoint the local authority Governor;
- 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 Community & Wellbeing Team are responsible for the development and care of the pupils, staff and community cohesion;
- 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.

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

The Head Teacher pay is determined by measuring targets in their performance management. These targets are set after consultation between an education specialist and governors. The finance team discuss and recommend any pay award to the governors for approval. The pay award must be in line with the academies Pay and Conditions document.

The Deputy Head Teacher, the Business Managers and any other senior leader's pay award is determined upon by achievement of targets set by the Head Teacher and in line with the academies Pay and Conditions document.

Related parties and other connected charities and organisations

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 delivers training on middle leadership.

The Head Teacher supports other local schools.

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.

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

This fourth year of academy status has seen a continued development of the first three successful years. 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 standards. The school this year has focused on writing and channelled funds from pupil premium to enhance teaching and raising standards of pupils eligible for free school meals. The school has also directed the Sports Funding in to developing the skills of teaching staff with professional CPD. This will increase the variety of skills and opportunities available to pupils. The fund was also used to acquire a range of other specialist sporting facilities. We also employed a sports apprentice to enhance the learning of sport in PE and at playtime which has proved to be a great success.

The Department of Education awarded the academy Targeted Basic Needs funding for the school to have additional teaching space for an extra 210 children in August 2013. The building was completed and opened to pupils in September 2015. Careful planning has ensured that the new classrooms complement the existing building and also the needs and requirements of the academy as we move forward to become a two form entry school.

The application for the funding was made by, and funding was held by, Gateshead Local Authority. In readiness for the new school the local authority requested that we increased our reception intake in September 2014 which we did. The intake for reception class was less than predicted by the local authority for September 2015 and 2016; however there is construction of both social and private family housing in the immediate locality and this is expected to be the source of the expanding pupil numbers.

The new space has made a significant difference in the delivery of lessons and teaching of small groups for targeted learning.

Riverside Primary Academy benefited from winning an ACMF bid to replace the heating and also Basic Needs Funding which has given us additional space for teaching and learning both of which has made a huge difference to wellbeing of pupils and staff. The condition of the windows in the original building continues to be a huge concern to the governors and it is planned to apply for a CIF grant in the December 2016 applications.

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

Assessment Results for End of Key Stage Two (Year 6)

(Note: Only 20 pupils within this cohort. Each pupil is worth 5%)

WRITING Teacher Assessment	End of Yr. 6 Assessment	National Data
21% of the have met pupils, are working at GD out of 19 pupils Plus one pupil = 25% 5 pupils in total	Have greater depth	74% - <i>Teacher Assessment</i>
85% - 17 pupils (12 EXS and 5 GD)	Have met standard	
10% - 2 pupils	Working towards the standard	
5% - 1 pupil	Pre Key Stage Growing Development	
0%	Have not met standard	

Maths - SATS	End of Yr. 6 Assessment	National Data
11 % out of 19 pupils Plus one pupil = 15% - 3 pupils	Achieving a higher score	17%
90% - 18 pupils	Have met standard	70%
10% - 2 pupils	Have not met standard	

SPAG - SATS	End of Yr. 6 Assessment	National Data
11% out of 19 pupils plus one pupil = 15%	Achieving a higher score	23%
85% - 17 pupils	Have met standard	72%
15% - 3 pupils	Have not met standard	

READING SATS	End of Yr. 6 Assessment	National Data
21% 4 pupils out of 19 (1 other child achieved a high score in reading but is not included in this 21%) In real terms we have 5 pupils which is 25% of the cohort.	Pupils achieving a high score in reading	19%
50% - 10 pupils	Have met Standard	66%
50% - 10 pupils	Have not met Standard Have not met floor target	

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 23. Details of all grants and income received can be found in notes 2 to 5.

At 31 August 2016 the net book value of fixed assets was £2,984,902. The assets were used exclusively to provide education and associated services to the students of the academy.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The academy made an operating deficit in the period September 2015 to August 2016 of £90,148 comprising of £6,595 surplus on unrestricted funds and £96,743 deficit on restricted funds.

Total income in the period was £1,205,361 comprising government grants of £1,163,034 and activities for generating funds of £42,327.

The governing body of the academy have adopted/ confirmed the following policies relating to finance and governance during the period 1 September 2015 to 31 August 2016.

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

The Department of Education awarded the academy Targeted Basic Needs funding for the school to have sufficient new building space for an additional 210 children. The building was open from September 2015. The application for the funding was made by Gateshead Local Authority. 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 is enthusiastic to looking forward and growing its provision for the local community.

The academy's reserves are being held for our contribution towards the new building and to fund the 2016/17 deficit budget which was set and agreed by the governors in July 2016. The growth of the school in size has drawn governors to prepare for the future of the school and invest in extra teaching staff to maintain good class sizes for the benefit of learning. This deficit budget was agreed after taking into consideration numbers rising from 211 in the October 2015 census from which the GAG is set for 2016/2017, to pupils numbers of 236 in September 2016.

In the period 1 September 2015 to 31 August 2016 the governors agreed to spend a portion of the reserves to develop the vision for the Early Years Foundation Stage into a provision that will enhance the learning of our youngest pupils and accommodate the growing numbers in the lower part of the school. This has enhanced the provision in line with the recommendations of the Early Years Handbook.

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).

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 -16 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. Current reserves stand at £281,056 at 31 August 2016, which is considered acceptable for the short term plans.

During the course of the year, the governing body agreed to spend from the reserve to furnish classrooms of the new building and the installation of computer equipment. Also to allow for some maintenance works to the existing building to ensure the building is in line with health and safety requirements. Some of this agreed spend will happen in 2016 – 2017. Much of the reserve spend has been to back up the new building gained from Basic Needs Funding and the expansion of the school.

Investment policy and powers

The academy's deposit account was opened in October 2014 and has generated interest for the academy. It holds funds from time to time on a short term basis of varying amounts to ensure funds are 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.

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.

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The academy maintains a risk register; last reviewed in July 2016 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 September 2016. There is an annual review of all risk management however there is ongoing review in response to situations or new legislation or information.

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 2016.

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 now built from the Targeted Basic Needs Funding. The building opened in September 2015 and enables us 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 cost of additional staff for the growing numbers will also need to be carefully monitored to ensure all pupils receive a quality education in reasonable class sizes within the constraints of the budget.

The academy has set a deficit budget for the year 2016/2017. 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 2015, the cost of staffing to ensure legal ratios, higher National Insurance rates and higher pension contributions outstretched the available GAG.

As an outstanding academy 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 96.5% for the year 2015/2016. This is an indication of the quality of teaching and learning from committed staff that ensures learning is fun and appropriate which results in pupils wanting to come to school. Most staff employed on conversion to academy (July 2012) remain with us. 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 Baldwins Audit Services Limited (formerly 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 better educational outcomes;
- 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;
- To develop the PE curriculum offering quality activities for pupils and CPD for staff to continue this high standard of delivery; 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 2016

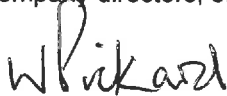
Auditor

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 Baldwins Audit Services Limited 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 31/12/16 and signed on its behalf by:



.....
Mr W Pickard
Chair

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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 board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Mr W Pickard (Chair)	4	4
Mrs J Goodfellow (Accounting Officer)	4	4
Miss L Smith	4	4
Mrs G Rutherford (Business Manager)	4	4
Mrs J Earl	4	4
Mr P Tomlinson	2	4
Mr J McGowan	4	4
Mrs P Dillon (Vice Chair)	3	4
Mr P Marshall (Appointed 4 December 2015)	3	3
Mrs E Fearon (Appointed 4 December 2015)	2	3
Miss S Hopwood (Appointed 8 December 2015)	3	3

We recruited a parent governor and two other governors. The strength of current expertise and skills levels together with those of the new governors will be assessed to identify areas for development. The academy is looking to utilise the skills of governors to benefit the academy's future planning. Membership currently consists of members with both business and education experience. Training and development for all governors has been on-going throughout the year.

All governors this year were invited to undertake training from a consultant focusing on Ofsted's expectations from governors and leaders.

The last skills review took place in spring 2016 once all new governors were in place, further training and development has now been structured around findings.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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)	6	6
Mrs J Goodfellow (Accounting Officer)	5	6
Mrs G Rutherford (Business Manager)	5	6
Mr P Tomlinson	3	6
Mr J McGowan	6	6
Mr P Marshall (Appointed 4 December 2015)	0	2

Review of value for money

The accounting officer of Riverside Primary Academy is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

We set out below how we have ensured that the academy trust's use of its resources has provided good value for money during the academic year. We have continually striving to achieve this through the effective and efficient use of resources in the Academy's charge.

Improving educational results: As an 'Outstanding' Academy we have continued to attain high standards, (reading was an issue this year) often well above national expectations, demonstrating good progress and attainment. The early years profile also showed pupils progressing at a rate above the national expectations.

To ensure that standards are continually raised the Governing Body and the Senior Leadership Team:

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning.
- Undertakes a rigorous review of attainment using RAISEonline and levels of progress of pupils; paying particular regard to their achievement on entry and the levels of progress secured over time.

Targeted Improvement: Staffing structure is deployed to support an improved, creative curriculum. Sufficient funding has been allocated so that the school is able to employ 18.96 full time equivalent teachers and teaching assistants and 5.5 administration and support staff.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Focus on Individual pupils: The strategic use of Pupil Premium has rationalised the teaching assistant support, each class had a minimum of 20hpw support, SEN children receive their allocated support. This will ensure that all children have a high quality learning experience and children identified will have resources to allow them to close any gaps.

Collaboration: The Trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. This includes being a main partner for the Federated Teaching School located in St Aidan's C of E Primary School and St Mary and St Thomas Aquinas RC Voluntary Aided School, Gateshead. The Head Teacher works as a local leader of education, supporting other schools. The Business manager works with other Academies to ensure best practise and value for money. Local families use our community room for a Baby and Toddler group to encourage young families to become comfortable and familiar with the school before their children reach school age.

New Initiatives: The Academy has managed its resources highly effectively during the year. With increasing pupil numbers the academy has built an extra 7 classroom from Target Needs Funding, managed by the local authority. The extension opened for pupils September 2015. The academy will need to show vigilance as pupil numbers will grow gradually over a number of years and the running of this larger school will need to be managed carefully. The academy has contributed to the cost of the building to ensure the building fits the needs of the community it serves. This has been managed within the resources of the academy and without detriment to the education of the pupils.

Quantifying Improvements: Achievement is high and therefore we are very good value for money. Our attendance and behaviour records show that children feel safe and enjoy being at school. The academy's financial performance is good compared to the overall achievements of the pupils.

Financial governance and oversight: The accounting officer has responsibility for reviewing the effectiveness of the systems of the 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 Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Academy'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 governors;
- Regular reviews by the strategic team who are responsible for financial performance against the forecast and of major purchase plans, capital work and expenditure programmes; Proposals are regularly challenged by governors to ensure value for money.
- Setting targets to measure financial and other performances;
- Clearly defined purchasing guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Better purchasing: A register of all services and contracts has been developed and all contractors are appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness.

Benchmarking: The Academy benchmarks with other schools in the area and collaborates where possible as a way of making savings.

Options appraisal: The Governors and Senior Leadership Team apply the principals of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school;
- The targeting of resources to best improve standards and the quality of provision;
- The use of resources to best support the various educational needs of all pupils;

The Academy has procedures for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost. Measures in place include:

- Competitive tendering procedures;
- Procedures for accepting "best value" quotes which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- Procedures which minimise office time by the purchase of goods and services under £1000 direct from known, reliable suppliers (e.g. stationary, small equipment)

Economies of scale: The academy regularly takes opportunities to work collaboratively with others to reduce and share procurement costs and share knowledge of providers.

Reviewing controls and managing risks: Evolution Business and Tax Advisors LLP have been appointed as external auditors and have been entrusted with aspects of internal assurance as agreed by the Governing Body. Management and Governors receive regular budget reports which are scrutinised to ensure the most effective use of resources to meet the objectives of the Academy.

Insurance levels are reviewed annually and used cost effectively to manage risks. The Governing Body reviews the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy has undertaken to develop and embed Risk Management. Governors are responsible for the overseeing of risks faced by the Academy and the detail considerations of risks are delegated to the Strategic Team. The Academy's Risk Register is reviewed annually by the Governors and termly by the Strategic Team, who look at the major risks to which the Academy is exposed, in particular to specific teaching, provision of facilities and other operational areas of the Academy and its finances.

Lessons learned: The academy was successful with a grant application in 2014 for new heaters in the classrooms but unfortunately not with the second application for windows which are in a very poor state. The Academy will continue to apply for funding for large projects to improve the environment for the pupils and to make the building more energy efficient and promote good value without taking funds away from our learning budget.

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 2016 and up to the date of approval of the annual report and financial statements.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016 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 board of governors;
- regular reviews by the 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;
- identification and management of risks.

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 Baldwins Audit Services Limited (formerly 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 including:

- testing of payroll system
- testing of purchases system
- review of monthly control account reconciliations
- testing of risk management systems
- testing of corporate governance

All items from the internal insurance reports have been actioned and the schedule of work was delivered as planned.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 8.12.16 and signed on its behalf by:



Mr W Pickard
Chair



Mrs J Goodfellow
Accounting Officer

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Riverside Primary Academy I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of governors 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 2015.

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 governors and EFA.

Mrs J Goodfellow
Accounting Officer

J. Goodfellow

8/12/16

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from EFA/DfE 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 21/2/16 and signed on its behalf by:



Mr W Pickard
Chair

RIVERSIDE PRIMARY ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF RIVERSIDE PRIMARY ACADEMY

We have audited the accounts of Riverside Primary Academy for the year ended 31 August 2016 set out on pages 23 to 43. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 18, 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' Report including the incorporated strategic 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 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

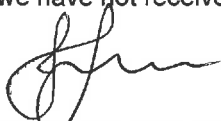
RIVERSIDE PRIMARY ACADEMY

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

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 Began FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

Chartered Accountants

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Dated: 12 December 2016

RIVERSIDE PRIMARY ACADEMY

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

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 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 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 Riverside Primary Academy and 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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.

RIVERSIDE PRIMARY ACADEMY

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under EFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant
Baldwins Audit Services Limited

Dated: 12 December 2016

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	5,738	-	6,575	12,313
Charitable activities:					
- Funding for educational operations	3	4,684	1,156,459	-	1,161,143
Other trading activities	4	31,448	-	-	31,448
Investments	5	457	-	-	457
Total income and endowments		42,327	1,156,459	6,575	1,205,361
Expenditure on:					
Raising funds	6	35,732	-	-	35,732
Charitable activities:					
- Educational operations	7	-	1,168,073	91,704	1,259,777
Total expenditure	6	35,732	1,168,073	91,704	1,295,509
Net income/(expenditure)		6,595	(11,614)	(85,129)	(90,148)
Transfers between funds		-	(56,398)	56,398	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(319,000)	-	(319,000)
Net movement in funds		6,595	(387,012)	(28,731)	(409,148)
Reconciliation of funds					
Total funds brought forward		115,194	55,279	3,013,633	3,184,106
Total funds carried forward		121,789	(331,733)	2,984,902	2,774,958

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015		Unrestricted Funds	Restricted funds:		Total 2015
	Notes	£	General £	Fixed asset £	£
Income and endowments from:					
Donations and capital grants	2	4,188	-	1,506,386	1,510,574
Charitable activities:					
- Funding for educational operations	3	25,452	1,107,441	-	1,132,893
Other trading activities	4	62,306	-	-	62,306
Investments	5	1,454	-	-	1,454
Total income and endowments		93,400	1,107,441	1,506,386	2,707,227
Expenditure on:					
Raising funds	6	74,737	-	-	74,737
Charitable activities:					
- Educational operations	7	13,380	1,224,221	43,209	1,280,810
Total expenditure	6	88,117	1,224,221	43,209	1,355,547
Net income/(expenditure)		5,283	(116,780)	1,463,177	1,351,680
Transfers between funds		-	128,994	(128,994)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	30,000	-	30,000
Net movement in funds		5,283	42,214	1,334,183	1,381,680
Reconciliation of funds					
Total funds brought forward		109,911	13,065	1,679,450	1,802,426
Total funds carried forward		115,194	55,279	3,013,633	3,184,106


RIVERSIDE PRIMARY ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		2,984,902		3,013,633
Current assets					
Debtors	12	64,240		88,094	
Cash at bank and in hand		360,584		384,099	
		<u>424,824</u>		<u>472,193</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	<u>(143,768)</u>		<u>(134,720)</u>	
Net current assets			281,056		337,473
Net assets excluding pension liability			3,265,958		3,351,106
Defined benefit pension liability	17		<u>(491,000)</u>		<u>(167,000)</u>
Net assets			<u>2,774,958</u>		<u>3,184,106</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			2,984,902		3,013,633
- Restricted income funds			159,267		222,279
- Pension reserve			<u>(491,000)</u>		<u>(167,000)</u>
Total restricted funds			2,653,169		3,068,912
Unrestricted income funds	15		<u>121,789</u>		<u>115,194</u>
Total funds			<u>2,774,958</u>		<u>3,184,106</u>

The accounts set out on pages 23 to 43 were approved by the board of governors and authorised for issue on 8.12.16 and are signed on its behalf by:


 Mr W Pickard
 Chair

Company Number 08104080

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	18		32,426		(7,460)
Cash flows from investing activities					
Dividends, interest and rents from investments		457		1,454	
Capital grants from DfE and EFA		6,575		6,386	
Capital funding from sponsors and others		-		1,500,000	
Payments to acquire tangible fixed assets		(62,973)		(1,516,520)	
			(55,941)		(8,680)
Change in cash and cash equivalents in the reporting period			(23,515)		(16,140)
Cash and cash equivalents at 1 September 2015			384,099		400,239
Cash and cash equivalents at 31 August 2016			360,584		384,099

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Riverside Primary Academy meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Riverside Primary Academy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

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 charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

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 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 period 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 when there is entitlement 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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

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 goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

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

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 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

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

1.6 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 academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.10 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.

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust 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 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	6,575	6,575	6,386
Other donations	5,738	-	5,738	1,504,188
	<u>5,738</u>	<u>6,575</u>	<u>12,313</u>	<u>1,510,574</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	898,463	898,463	854,037
Other DfE / EFA grants	-	141,595	141,595	139,540
	<u>-</u>	<u>1,040,058</u>	<u>1,040,058</u>	<u>993,577</u>
Other government grants				
Local authority grants	-	116,401	116,401	113,864
	<u>-</u>	<u>116,401</u>	<u>116,401</u>	<u>113,864</u>
Other funds				
Catering income	184	-	184	12,072
Other incoming resources	4,500	-	4,500	13,380
	<u>4,684</u>	<u>-</u>	<u>4,684</u>	<u>25,452</u>
Total funding	<u>4,684</u>	<u>1,156,459</u>	<u>1,161,143</u>	<u>1,132,893</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Catering income	3,322	-	3,322	2,826
Clubs income	14,179	-	14,179	19,542
Trips income	5,591	-	5,591	2,668
Other income	8,356	-	8,356	37,270
	<u>31,448</u>	<u>-</u>	<u>31,448</u>	<u>62,306</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	457	-	457	1,454

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	727,685	-	66,200	793,885	716,958
- Allocated support costs	162,873	138,291	164,728	465,892	563,852
	890,558	138,291	230,928	1,259,777	1,280,810
Other expenditure					
Raising funds	17,304	-	18,428	35,732	74,737
Total expenditure	907,862	138,291	249,356	1,295,509	1,355,547

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	6,000	6,000
- Other services	6,160	6,250
Operating lease rentals	19,821	19,293
Depreciation of tangible fixed assets	91,704	43,209

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	2016 £	2015 £
All from restricted funds:		
Direct costs - educational operations	793,885	716,958
Support costs - educational operations	465,892	563,852
	<u>1,259,777</u>	<u>1,280,810</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	162,873	159,977
Depreciation and amortisation	91,704	43,209
Premises costs	99,355	226,494
Other support costs	83,995	103,486
Governance costs	27,965	30,686
	<u>465,892</u>	<u>563,852</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	719,749	678,872
Social security costs	49,969	41,245
Operating costs of defined benefit pension schemes	127,767	113,396
	<u>897,485</u>	<u>833,513</u>
Staff costs	897,485	833,513
Supply staff costs	1,005	21,070
Staff development and other staff costs	9,372	6,640
	<u>907,862</u>	<u>861,223</u>
Total staff expenditure	907,862	861,223

Staff numbers

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

	2016 Number	2015 Number
Teachers	26	26
Administration and support	15	13
Management	2	2
	<u>43</u>	<u>41</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,000 - £70,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £167,180 (2015: £153,261).

9 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.

The value of governors' remuneration was as follows:

J Goodfellow (headteacher)

Remuneration	£60,001 - £65,000 (2015: £55,001 - £60,000)
Employer's pension contributions	£10,001 - £15,000 (2015: £5,001 - £10,000)

L Smith (staff)

Remuneration	£45,001 - £50,000 (2015: £40,001 - £45,000)
Employer's pension contributions	£5,001 - £10,000 (2015: £5,001 - £10,000)

G Rutherford (staff)

Remuneration	£35,001 - £40,000 (2015: £25,001 - £30,000)
Employer's pension contribution	£5,001 - £10,000 (2015: £5,001 - £10,000)

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

10 Governors and officers insurance

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

In the previous year, the academy trust purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provided cover up to £250,000 on any one claim and the cost for the year ended 31 August 2015 was £382.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	3,095,000	9,931	35,320	3,140,251
Additions	-	-	62,973	62,973
At 31 August 2016	3,095,000	9,931	98,293	3,203,224
Depreciation				
At 1 September 2015	114,950	3,055	8,613	126,618
Charge for the year	73,800	2,749	15,155	91,704
At 31 August 2016	188,750	5,804	23,768	218,322
Net book value				
At 31 August 2016	2,906,250	4,127	74,525	2,984,902
At 31 August 2015	2,980,050	6,876	26,707	3,013,633

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.

12 Debtors	2016 £	2015 £
Trade debtors	1,948	5,286
VAT recoverable	22,791	37,964
Prepayments and accrued income	39,501	44,844
	64,240	88,094

13 Creditors: amounts falling due within one year	2016 £	2015 £
Trade creditors	23,260	25,032
Other taxation and social security	15,017	11,804
Other creditors	15,477	13,871
Accruals and deferred income	90,014	84,013
	143,768	134,720

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Deferred income	2016 £	2015 £
	Deferred income is included within:		
	Creditors due within one year	20,912	35,302
	Deferred income at 1 September 2015	35,302	36,601
	Released from previous years	(35,302)	(36,601)
	Amounts deferred in the year	20,912	35,302
	Deferred income at 31 August 2016	20,912	35,302

At the year end the academy was holding trip income and universal infant free school meals grant received in advance.

15	Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	220,287	898,463	(905,955)	(56,398)	156,397
	Other DfE / EFA grants	1,992	141,595	(140,717)	-	2,870
	Other government grants	-	116,401	(116,401)	-	-
	Funds excluding pensions	222,279	1,156,459	(1,163,073)	(56,398)	159,267
	Pension reserve	(167,000)	-	(5,000)	(319,000)	(491,000)
		55,279	1,156,459	(1,168,073)	(375,398)	(331,733)
	Restricted fixed asset funds					
	DfE / EFA capital grants	5,960	6,575	(3,177)	-	9,358
	Inherited funds	1,480,050	-	(36,300)	-	1,443,750
	Capital expenditure from GAG or other funds	1,527,623	-	(52,227)	56,398	1,531,794
		3,013,633	6,575	(91,704)	56,398	2,984,902
	Total restricted funds	3,068,912	1,163,034	(1,259,777)	(319,000)	2,653,169
	Unrestricted funds					
	General funds	115,194	42,327	(35,732)	-	121,789
	Total funds	3,184,106	1,205,361	(1,295,509)	(319,000)	2,774,958

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016.

Other DfE/EFA grants includes pupil premium, universal infant free school meals income and sports grant. £2,870 Sports Grant is carried forward to the next academic year.

Other government 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 which has been fully utilised during the period.

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

Other capital funds comprise the building extension acquired from the Local Authority via Target Basic Needs funding.

Some capital expenditure has been funded by GAG or other funds. 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 £281,056 at 31 August 2016.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,984,902	2,984,902
Current assets	126,429	282,221	16,174	424,824
Creditors falling due within one year	(4,640)	(122,954)	(16,174)	(143,768)
Defined benefit pension liability	-	(491,000)	-	(491,000)
	<u>121,789</u>	<u>(331,733)</u>	<u>2,984,902</u>	<u>2,774,958</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 South Tyneside Council. Both are multi-employer 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 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £15,477 (2015: £13,871) were payable to the schemes at 31 August 2016 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £75,387 (2015: £59,798).

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with 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 £54,000 (2015 - £52,000).

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 20 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.

Total contributions made	2016 £	2015 £
Employer's contributions	52,000	50,000
Employees' contributions	14,000	13,000
Total contributions	66,000	63,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.5	3.5
Rate of increase for pensions in payment	2.0	2.0
Discount rate	2.0	3.8
Inflation assumption (CPI)	2.0	2.0

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

	2016 Years	2015 Years
Retiring today		
- Males	23.2	23.1
- Females	24.8	24.7
Retiring in 20 years		
- Males	25.3	25.1
- Females	27.1	27.0

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	509,847	390,580
Government bonds	29,222	21,240
Corporate bonds	88,435	68,440
Cash	23,070	18,880
Property	76,900	54,870
Other assets	41,526	35,990

Total market value of assets	769,000	590,000
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Actual return on scheme assets - gain/(loss)	115,000	17,000
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Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	52,000	53,000
Net interest cost	5,000	6,000

Changes in the present value of defined benefit obligations

	2016 £	2015 £
Obligations at 1 September 2015	757,000	699,000
Current service cost	52,000	53,000
Interest cost	29,000	26,000
Employee contributions	14,000	13,000
Actuarial gain	410,000	(33,000)
Benefits paid	(2,000)	(1,000)

At 31 August 2016	1,260,000	757,000
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RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)	
Changes in the fair value of the academy trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September 2015	590,000	511,000
Interest income	24,000	20,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	91,000	(3,000)
Employer contributions	52,000	50,000
Employee contributions	14,000	13,000
Benefits paid	(2,000)	(1,000)
At 31 August 2016	769,000	590,000
18 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
	£	£
Net income/(expenditure) for the reporting period	(90,148)	1,351,680
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(6,575)	(1,506,386)
Investment income	(457)	(1,454)
Defined benefit pension costs less contributions payable	-	3,000
Defined benefit pension net finance cost/(income)	5,000	6,000
Depreciation of tangible fixed assets	91,704	43,209
(Increase)/decrease in debtors	23,854	104,426
Increase/(decrease) in creditors	9,048	(7,935)
Net cash provided by operating activities	32,426	(7,460)
19 Commitments under operating leases		
At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:		
	2016	2015
	£	£
Amounts due within one year	11,866	14,096
Amounts due in two and five years	7,685	15,532
	19,551	29,628

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Related party transactions

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 £9,570 (2015: £14,138) during the year. At 31 August 2016, the academy owed £463 to the company (2015: £7,067).
- 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.

Burnetts Solicitors - a business in which the partner of Mrs J Goodfellow (Accounting Officer) has a significant interest:

- The trust purchased support services from Burnetts totalling £1,648 (2015: £1,648) during the year. At 31 August 2016, the academy owed £nil to the business (2015: £290).
- The trust made the purchase at arms' length.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

21 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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliations on adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliation of funds for the previous financial period

		1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP		1,802,426	3,184,106
Change in recognition of LGPS interest cost	1	-	-
Funds reported under FRS 102		<u>1,802,426</u>	<u>3,184,106</u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income previously reported under UK GAAP		1,366,680
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(15,000)
Net income reported under FRS 102		<u>1,351,680</u>

Notes to reconciliations on adoption of FRS 102

1 - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £15,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

