

Company Registration No. 08104080 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

RIVERSIDE PRIMARY ACADEMY

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RIVERSIDE PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs J Earl (resigned 29 November 2018)
Mr E Nichols (appointed 14 September 2017)
Mrs J Mowbray (appointed 29 November 2018)
Mr W Pickard (resigned 5 March 2018)
Ms C Van der Sandt (appointed 6 October 2017 and resigned 6 March 2018)
Mrs J Goodfellow (resigned 29 November 2018)
Mr B Lovell (appointed 29 November 2018)

Governors

Mrs J M Goodfellow (Accounting Officer)
Miss L Smith
Mrs G Rutherford (Business Manager)
Mrs J Earl (Chair)
Mr P Tomlinson (Resigned 9th October 2018)
Mr J McGowan
Mr P Marshall (Chair to 22 November 2018)
Mrs E Fearon
Mrs L Robinson
Mr R W Purser (Appointed 5 July 2018)
Mrs F Brown (Appointed 15 March 2018)

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
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
44 Front Street
Newcastle Upon Tyne
NE16 4DS

RIVERSIDE PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Cartmel Shepherd
Viaduct House
Carlisle
Cumbria
CA3 8EZ

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupil's age 3 to 11 serving a catchment area in Dunston, Gateshead. It has a pupil capacity of 270 and had a roll of 260 in the school census on May 2018.

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 2017 and 31 August 2018, 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 2018

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 members 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 2018

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

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 2018

Strategic report

Achievements and performance

This completes our sixth year of academy status and the academy has continued to develop on their previous successful years. The school's latest OFSTED inspection was reported to be 'Outstanding' in all areas and the governors; leadership and staff continually strive to maintain standards.

This year the school has focused on reading, writing and maths taking a particular consideration to our disadvantaged pupils. There has also been growth in the understanding of, and a particular emphasis on the importance of encouraging our pupils to aspire to achieving 'Greater Depth'.

The school has directed the Sports Funding in to developing and expanding the skills of pupils and also enabling the pupils to experience further sports through external professional coaching and also in the provided extended schools environment. This provision is extremely popular with pupils and is contributing to an all-round healthy attitude and embedding the importance of wellbeing. Other wellbeing projects, such as a whole school forest walk in the Autumn term was embraced by all.

Outdoor learning areas have also been developed to provide an enriched outdoor learning provision. This is a two year project to establish our school as a forest school. A very enthusiastic member of staff has trained and will soon be qualified as a forest school leader. The project has been developed with dedication and enthusiasm and the pupils are now starting to engage in forest school learning. This project has also embraced the enthusiasm of parents and the community who have supported work in the grounds on a voluntary basis.

Targeted Basic Needs funding awarded in August 2013 provided the school with an extension of 7 classrooms which were completed in September 2015. Projected numbers provided by the LA have not materialised as predicted and therefore the school is growing in size at a slower pace than expected. The school is currently moving into a one and half form entry. Local construction of both social and private family housing is expected to be the source of the expanding pupil numbers.

Key performance indicators

Assessment Results for End of Key Stage Two (Year 6) – July 2018 – results of 27 pupils

Progress in reading – Well above average – 5.52

Progress in writing – Above average – 2.57

Progress in Maths – Well above average – 4.31

Combined Result in Reading, Writing and Maths

Pupils achieving the Expected National Standard or higher – National Average 64%

School Results - 79% unvalidated - (85% expected when validated)

Pupils achieving a higher Standard – National Average 10%

School Result – 14% unvalidated- (15% expected when validated)

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and Skills Funding Agency [ESFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 22. Details of all grants and income received can be found in notes 3 to 6.

At 31 August 2018 the net book value of fixed assets was £2,952,147. 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 surplus in the period September 2017 to August 2018 of £26,763 before depreciation charges of £99,690 and LGPS pension movements.

Total income in the period was £1,370,085 comprising government revenue grants of £1,307,640 and other funds of £62,445.

The governing body of the academy have adopted/ confirmed the following policies relating to finance and governance during the period 1 September 2017 to 31 August 2018.

- 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. Projected numbers provided by the LA have not materialised as predicted and therefore the school is growing in size at a slower pace than expected. The school is developing into a one and half form entry at present and the academy's reserves are being used to support the growth of the school and maintain good class sizes for the benefit of pupil learning.

The governors agreed to a deficit budget in July 2018 for 2018-2019. Due to pupil numbers not rising as predicted by the LA, staffing was re assessed and adapted to provide a more manageable budget. However this is still a deficit on the schools annual grant provided by the ESFA. The academy's reserve allows the school to work with this deficit budget which is set at a reasonable and manageable figure.

The construction of both social and private family housing in the immediate locality is still expected to be the source of expanding pupil numbers. The school has been proactive with marketing to promote the high standards of the school and encourage families to make Riverside Primary Academy for their chosen school.

During the academic year September 2017 to 31 August 2018 the academy developed the vision for the Early Years Foundation Stage, developing the outdoor learning into a provision that will enhance the outcome of our youngest pupils and accommodate the growing numbers in the lower part of the school.

RIVERSIDE PRIMARY ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

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

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

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

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

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

During the year 2017 -18 the governing body have agreed to reasonable levels of reserves to support the needs of adequate staffing levels and to provide a provision that will enhance the learning and overall value of the academy. Current reserves stand at £283,297 at 31 August 2018, which is considered acceptable for the short term plans.

Investment policy

The academy's has a deposit account which generates little interest for the academy; it is used from time to time. It holds funds on a short term basis of varying amounts to ensure funds are always available for unforeseen circumstances 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.

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 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 2018

Principal risks and uncertainties

The academy maintains a risk register; last reviewed in July 2018 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 2017. 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 2018.

The indication from the LA Admissions of rising pupil numbers in the local area over the next few years has been slower than expected. With our extension from Basic Needs Targeted Funding which opened in September 2015 we are able to accommodate growing numbers. However pupil numbers are growing much slower than expected and staffing costs are being managed and monitored closely.

The academy has set a deficit budget for the year 2018/2019. Funding was based on the census numbers in October 2017. The deficit will be taken from the reserves of the academy. With pupil numbers not growing as predicted the governors three year expansion plan had to be revised. Two fixed term contracts were ended due to the lack of growth. Still the cost of staffing, higher National Insurance rates and pension contributions outstretched the available GAG and hence a deficit budget was set.

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 for the academic year stood at 96.3% for the year. 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 to ensure financial systems are secure.

Fundraising

Riverside Primary Academy is a school and therefore follows all fundraising policies of charities when raising money.

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 a 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 2018

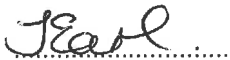
Auditor

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 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 6.12.18 and signed on its behalf by:



Mrs J Earl

Chair

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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
Mrs J M Goodfellow (Accounting Officer)	4	4
Miss L Smith	4	4
Mrs G Rutherford (Business Manager)	4	4
Mrs J Earl (Chair)	4	4
Mr P Tomlinson (Resigned 9th October 2018)	3	4
Mr J McGowan	4	4
Mr P Marshall (Chair to 22 November 2018)	3	4
Mrs E Fearon	4	4
Mrs L Robinson	2	4
Mr R W Purser (Appointed 5 July 2018)	1	1
Mrs F Brown (Appointed 15 March 2018)	2	2

The academy is looking to utilise the skills of governors to benefit the academy's future planning. During the year Mr Robin Purser joined the trustees. He has a firm knowledge of business data and he will be a valuable member of the governors. The trustees currently consists of members with both business and education experience. Training and development for all governors has been on-going throughout the year.

The last governors' skills review took place in Spring 2018 and a plan for training put in place for 2018 – 2019. After the review all governors were invited to undertake training on finance, school curriculum and safeguarding during this period to up skill governors.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

During this academic year the governors on the finance committee have particularly focused as a key area, on a marketing strategy to look at generating further pupil numbers into school. This project has particularly looked at our school information material and website, listening to parents and other stakeholder to project our strongest areas to the market place whilst improving some of the weaker areas.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mrs J M Goodfellow (Accounting Officer)	7	7
Mrs G Rutherford (Business Manager)	7	7
Mr P Tomlinson (Resigned 9th October 2018)	5	7
Mr J McGowan	5	7
Mr P Marshall (Chair to 22 November 2018)	5	7

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 and Skills 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 are 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, often well above national expectations, demonstrating good progress and attainment.

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 Analysing School Performance 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 22 teachers and teaching assistants and 4 administration and support staff.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Focus on Individual pupils: The strategic use of Pupil Premium has reorganised the teaching assistant support, and SEN children receive their allocated support. This allocation of teaching assistants ensure that 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 practice 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. Riverside Primary Academy has been proactive and successful in applying for capital improvement grants. New windows and external doors for the original building replaced our inefficient external windows and doors from a grant of £162K. The work was completed for the start of the school year in September 2017. The improvement has made a huge difference to the learning environment and wellbeing of pupils and staff.

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.

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.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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: Baldwins Audit Services 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: With budgets tight, the academy will continue to apply for large grants to improve the environment provision they can offer pupils and to make the building more energy efficient and promote good value without taking funds away from the 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 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

RIVERSIDE PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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, 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 internal insurance planned work and reports have been acknowledged by the governors and there were no significant risks identified during the period.

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.

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 6.12.18..... and signed on its behalf by:



Mrs J M Goodfellow
Accounting Officer



Mrs J Earl
Chair

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Riverside Primary Academy I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 ESFA.

Mrs J M Goodfellow
Accounting Officer

J M Goodfellow

6.12.18

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 & Skills 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 2017 to 2018;
- 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 ESFA/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 members of the board of governors on 6.12.18 and signed on its behalf by:



Mrs J Earl
Chair

RIVERSIDE PRIMARY ACADEMY

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

Opinion

We have audited the accounts of Riverside Primary Academy for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

RIVERSIDE PRIMARY ACADEMY

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RIVERSIDE PRIMARY ACADEMY

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

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Regan FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

Statutory Auditor

10 December 2018

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

RIVERSIDE PRIMARY ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Riverside Primary Academy and ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

RIVERSIDE PRIMARY ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 ESFA 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 2017 to 31 August 2018 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

Dated: 10 December 2018

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	8,205	-	6,880	15,085	180,199
Charitable activities:						
- Funding for educational operations	4	3,070	1,304,570	-	1,307,640	1,190,670
Other trading activities	5	47,192	-	-	47,192	42,564
Investments	6	168	-	-	168	294
Total		58,635	1,304,570	6,880	1,370,085	1,413,727
Expenditure on:						
Raising funds	7	45,904	-	-	45,904	49,719
Charitable activities:						
- Educational operations	8	-	1,326,418	99,690	1,426,108	1,364,595
Total	7	45,904	1,326,418	99,690	1,472,012	1,414,314
Net income/(expenditure)		12,731	(21,848)	(92,810)	(101,927)	(587)
Transfers between funds	16	(3,969)	10,821	(6,852)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	142,000	-	142,000	110,000
Net movement in funds		8,762	130,973	(99,662)	40,073	109,413
Reconciliation of funds						
Total funds brought forward		133,236	(300,674)	3,051,809	2,884,371	2,774,958
Total funds carried forward		141,998	(169,701)	2,952,147	2,924,444	2,884,371

RIVERSIDE PRIMARY ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	10,545	300	169,354	180,199
Charitable activities:					
- Funding for educational operations	4	7,763	1,182,907	-	1,190,670
Other trading activities	5	42,564	-	-	42,564
Investments	6	294	-	-	294
Total		61,166	1,183,207	169,354	1,413,727
Expenditure on:					
Raising funds	7	49,719	-	-	49,719
Charitable activities:					
- Educational operations	8	-	1,268,848	95,747	1,364,595
Total	7	49,719	1,268,848	95,747	1,414,314
Net income/(expenditure)		11,447	(85,641)	73,607	(587)
Transfers between funds	16	-	6,700	(6,700)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	110,000	-	110,000
Net movement in funds		11,447	31,059	66,907	109,413
Reconciliation of funds					
Total funds brought forward		121,789	(331,733)	2,984,902	2,774,958
Total funds carried forward		133,236	(300,674)	3,051,809	2,884,371

RIVERSIDE PRIMARY ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		2,952,147		3,041,827
Current assets					
Debtors	13	134,975		85,095	
Cash at bank and in hand		254,043		460,000	
		389,018		545,095	
Current liabilities					
Creditors: amounts falling due within one year	14	(105,721)		(278,551)	
Net current assets			283,297		266,544
Net assets excluding pension liability			3,235,444		3,308,371
Defined benefit pension scheme liability	18		(311,000)		(424,000)
Net assets			2,924,444		2,884,371
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			2,952,147		3,051,809
- Restricted income funds			141,299		123,326
- Pension reserve			(311,000)		(424,000)
Total restricted funds			2,782,446		2,751,135
Unrestricted income funds	16		141,998		133,236
Total funds			2,924,444		2,884,371

The accounts on pages 23 to 44 were approved by the governors and authorised for issue on 6.12.18.....
and are signed on their behalf by:



Mrs J Earl
Chair

Company Number 08104080

RIVERSIDE PRIMARY ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		(202,995)		82,440
Cash flows from investing activities					
Dividends, interest and rents from investments		168		294	
Capital grants from DfE and ESFA		6,880		169,354	
Payments to acquire tangible fixed assets		(10,010)		(152,672)	
			(2,962)		16,976
Change in cash and cash equivalents in the reporting period			(205,957)		99,416
Cash and cash equivalents at 1 September 2017			460,000		360,584
Cash and cash equivalents at 31 August 2018			254,043		460,000

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

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

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

Sponsorship income

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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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

Donated 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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 & 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 Leased assets

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

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

1.11 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education and Local Authority.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	6,880	6,880	169,354
Other donations	8,205	-	8,205	10,845
	<u>8,205</u>	<u>6,880</u>	<u>15,085</u>	<u>180,199</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	971,072	971,072	903,105
Other DfE group grants	-	160,034	160,034	151,598
	-	1,131,106	1,131,106	1,054,703
Other government grants				
Local authority grants	-	173,464	173,464	128,204
Other funding				
Catering income	10	-	10	23
Other incoming resources	3,060	-	3,060	7,740
	3,070	-	3,070	7,763
Total funding	3,070	1,304,570	1,307,640	1,190,670

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Catering income	3,055	-	3,055	3,090
Clubs income	23,497	-	23,497	20,642
Trips income	7,206	-	7,206	6,551
Other income	13,434	-	13,434	12,281
	47,192	-	47,192	42,564

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	168	-	168	294

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2018	2017
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	30,282	-	15,622	45,904	49,719
Academy's educational operations					
- Direct costs	819,679	-	63,223	882,902	846,361
- Allocated support costs	218,084	220,110	105,012	543,206	518,234
	<u>1,068,045</u>	<u>220,110</u>	<u>183,857</u>	<u>1,472,012</u>	<u>1,414,314</u>

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	6,500	6,500
- Other services	4,700	4,700
Operating lease rentals	19,747	19,620
Depreciation of tangible fixed assets	99,690	95,747
Net interest on defined benefit pension liability	10,000	9,000
	<u></u>	<u></u>

8 Charitable activities

	2018	2017
	£	£
All from restricted funds:		
Direct costs		
Educational operations	882,902	846,361
Support costs		
Educational operations	543,206	518,234
	<u>1,426,108</u>	<u>1,364,595</u>

	2018	2017
	£	£
Analysis of support costs		
Support staff costs	218,084	211,965
Depreciation	99,690	95,747
Premises costs	120,420	115,930
Other support costs	78,770	65,983
Governance costs	26,242	28,609
	<u>543,206</u>	<u>518,234</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	814,554	779,975
Social security costs	66,832	63,748
Pension costs	174,655	177,479
Staff costs	1,056,041	1,021,202
Agency staff costs	5,857	3,910
Staff development and other staff costs	6,147	5,496
Total staff expenditure	1,068,045	1,030,608

Staff numbers

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

	2018 Number	2017 Number
Teachers	27	31
Administration and support	11	12
Management	3	3
	41	46

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £196,338 (2017: £190,988).

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

The value of governors' remuneration and other benefits was as follows:

J Goodfellow (headteacher)	
Remuneration	£60,001 - £65,000 (2017: £60,001 - £65,000)
Employer's pension contributions	£10,001 - £15,000 (2017: £10,001 - £15,000)
L Smith (staff)	
Remuneration	£50,001 - £55,000 (2017: £45,001 - £50,000)
Employer's pension contributions	£5,001 - £10,000 (2017: £5,001 - £10,000)
G Rutherford (staff)	
Remuneration	£35,001 - £40,000 (2017: £35,001 - £40,000)
Employer's pension contribution	£5,001 - £10,000 (2017: £5,001 - £10,000)

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

11 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.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	3,247,672	9,931	98,293	3,355,896
Additions	-	-	10,010	10,010
At 31 August 2018	3,247,672	9,931	108,303	3,365,906
Depreciation				
At 1 September 2017	262,550	8,092	43,427	314,069
Charge for the year	77,617	1,834	20,239	99,690
At 31 August 2018	340,167	9,926	63,666	413,759
Net book value				
At 31 August 2018	2,907,505	5	44,637	2,952,147
At 31 August 2017	2,985,122	1,839	54,866	3,041,827

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

(Continued)

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

13 Debtors	2018 £	2017 £
Trade debtors	-	447
VAT recoverable	27,292	19,405
Prepayments and accrued income	107,683	65,243
	<u>134,975</u>	<u>85,095</u>
14 Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	22,776	23,903
Other taxation and social security	16,139	16,950
Other creditors	18,175	17,465
Accruals and deferred income	48,631	220,233
	<u>105,721</u>	<u>278,551</u>
15 Deferred income	2018 £	2017 £
Deferred income is included within:		
Creditors due within one year	<u>25,765</u>	<u>23,205</u>
Deferred income at 1 September 2017	23,205	20,912
Released from previous years	(23,205)	(20,912)
Resources deferred in the year	<u>25,765</u>	<u>23,205</u>
Deferred income at 31 August 2018	<u>25,765</u>	<u>23,205</u>

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

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	123,326	971,072	(972,597)	10,821	132,622
Other DfE / ESFA grants	-	160,034	(151,357)	-	8,677
Other government grants	-	173,464	(173,464)	-	-
	<u>123,326</u>	<u>1,304,570</u>	<u>(1,297,418)</u>	<u>10,821</u>	<u>141,299</u>
Funds excluding pensions	123,326	1,304,570	(1,297,418)	10,821	141,299
Pension reserve	(424,000)	-	(29,000)	142,000	(311,000)
	<u>(300,674)</u>	<u>1,304,570</u>	<u>(1,326,418)</u>	<u>152,821</u>	<u>(169,701)</u>
Restricted fixed asset funds					
Transferred on conversion	1,407,450	-	(36,300)	-	1,371,150
DfE / ESFA capital grants	169,401	6,880	(5,651)	(6,880)	163,750
Capital expenditure from GAG or other funds	1,474,958	-	(57,739)	28	1,417,247
	<u>3,051,809</u>	<u>6,880</u>	<u>(99,690)</u>	<u>(6,852)</u>	<u>2,952,147</u>
Total restricted funds	<u>2,751,135</u>	<u>1,311,450</u>	<u>(1,426,108)</u>	<u>145,969</u>	<u>2,782,446</u>
Unrestricted funds					
General funds	133,236	58,635	(45,904)	(3,969)	141,998
	<u>133,236</u>	<u>58,635</u>	<u>(45,904)</u>	<u>(3,969)</u>	<u>141,998</u>
Total funds	<u>2,884,371</u>	<u>1,370,085</u>	<u>(1,472,012)</u>	<u>142,000</u>	<u>2,924,444</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 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 2018.

Other DfE/ESFA grants includes pupil premium, universal infant free school meals income and sports grant. £8,677 of the sports grant remains unspent and carried forward against expenditure in the 2018/19 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/ESFA capital grants includes a devolved capital grant of £6,880 which has been spent on premises maintenance.

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 £283,297 at 31 August 2018.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	156,397	903,105	(942,876)	6,700	123,326
Other DfE / ESFA grants	2,870	151,598	(154,468)	-	-
Other government grants	-	128,204	(128,204)	-	-
Other restricted funds	-	300	(300)	-	-
	<u>159,267</u>	<u>1,183,207</u>	<u>(1,225,848)</u>	<u>6,700</u>	<u>123,326</u>
Funds excluding pensions	159,267	1,183,207	(1,225,848)	6,700	123,326
Pension reserve	(491,000)	-	(43,000)	110,000	(424,000)
	<u>(331,733)</u>	<u>1,183,207</u>	<u>(1,268,848)</u>	<u>116,700</u>	<u>(300,674)</u>
Restricted fixed asset funds					
Transferred on conversion	1,443,750	-	(36,300)	-	1,407,450
DfE / ESFA capital grants	9,358	169,354	(2,611)	(6,700)	169,401
Capital expenditure from GAG	1,531,794	-	(56,836)	-	1,474,958
	<u>2,984,902</u>	<u>169,354</u>	<u>(95,747)</u>	<u>(6,700)</u>	<u>3,051,809</u>
Total restricted funds	<u>2,653,169</u>	<u>1,352,561</u>	<u>(1,364,595)</u>	<u>110,000</u>	<u>2,751,135</u>
Unrestricted funds					
General funds	<u>121,789</u>	<u>61,166</u>	<u>(49,719)</u>	<u>-</u>	<u>133,236</u>
Total funds	<u>2,774,958</u>	<u>1,413,727</u>	<u>(1,414,314)</u>	<u>110,000</u>	<u>2,884,371</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	2,952,147	2,952,147
Current assets	141,998	247,020	-	389,018
Creditors falling due within one year	-	(105,721)	-	(105,721)
Defined benefit pension liability	-	(311,000)	-	(311,000)
Total net assets	<u>141,998</u>	<u>(169,701)</u>	<u>2,952,147</u>	<u>2,924,444</u>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,041,827	3,041,827
Current assets	136,684	252,040	156,371	545,095
Creditors falling due within one year	(3,448)	(128,714)	(146,389)	(278,551)
Defined benefit pension liability	-	(424,000)	-	(424,000)
Total net assets	133,236	(300,674)	3,051,809	2,884,371

18 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 2016.

Contributions amounting to £18,175 (2017: £17,465) were payable to the schemes at 31 August 2018 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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.

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pensions and similar obligations

(Continued)

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £83,983 (2017: £81,459).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.9% for employers and 5.5% to 7.5% for employees.

As the LGPS is in deficit, the academy has agreed to make additional contribution over a 18 year period. The additional amount payable in the year ended 31 August 2019 is £20,100.

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	2018 £	2017 £
Employer's contributions	72,000	62,000
Employees' contributions	17,000	15,000
	<hr/>	<hr/>
Total contributions	89,000	77,000
	<hr/>	<hr/>

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	3.6	3.6
Rate of increase for pensions in payment	2.1	2.1
Discount rate	2.8	2.5
Inflation assumption (CPI)	2.1	2.1

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

	2018 Years	2017 Years
Retiring today		
- Males	22.9	22.8
- Females	26.4	26.3
Retiring in 20 years		
- Males	25.1	25.0
- Females	28.7	28.6

Scheme liabilities would have been affected by changes in assumptions as follows:

The academy trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	806,625	680,830
Government bonds	47,800	40,170
Corporate bonds	133,840	118,450
Cash	26,290	40,170
Property	101,575	92,700
Other assets	78,870	57,680
Total market value of assets	1,195,000	1,030,000
Actual return on scheme assets - gain/(loss)	79,000	186,000

Amounts recognised in the statement of financial activities	2018 £	2017 £
Current service cost	91,000	96,000
Interest income	(27,000)	(16,000)
Interest cost	37,000	25,000
Total operating charge	101,000	105,000

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pensions and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2018 £	2017 £
Obligations at 1 September 2017	1,454,000	1,260,000
Current service cost	91,000	96,000
Interest cost	37,000	25,000
Employee contributions	17,000	15,000
Actuarial (gain)/loss	(90,000)	60,000
Benefits paid	(3,000)	(2,000)
At 31 August 2018	1,506,000	1,454,000

Changes in the fair value of the academy trust's share of scheme assets

	2018 £	2017 £
Assets at 1 September 2017	1,030,000	769,000
Interest income	27,000	16,000
Actuarial gain	52,000	170,000
Employer contributions	72,000	62,000
Employee contributions	17,000	15,000
Benefits paid	(3,000)	(2,000)
At 31 August 2018	1,195,000	1,030,000

19 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(101,927)	(587)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(6,880)	(169,354)
Investment income receivable	(168)	(294)
Defined benefit pension costs less contributions payable	19,000	34,000
Defined benefit pension net finance cost	10,000	9,000
Depreciation of tangible fixed assets	99,690	95,747
(Increase) in debtors	(49,880)	(20,855)
(Decrease)/increase in creditors	(172,830)	134,783
Net cash (used in)/provided by operating activities	(202,995)	82,440

RIVERSIDE PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	14,055	8,784
Amounts due in two and five years	17,372	7,879
	<u>31,427</u>	<u>16,663</u>

21 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 until his resignation 9 October 2018) has a majority interest:

- The trust purchased ICT equipment and support from Omnicom totalling £11,877 (2017: £8,095) during the year. At 31 August 2018, the academy owed £nil to the company (2017: £nil).
- 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 ESFA'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 £2,200 (2017: £2,500) during the year. At 31 August 2018, the academy owed £nil to the business (2017: £960).
- The trust made the purchase at arms' length.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

22 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.