

**RIVERS MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 8
<b>Governance Statement</b>	9 - 11
<b>Statement on Regularity, Propriety and Compliance</b>	12
<b>Statement of Trustees' Responsibilities</b>	13
<b>Independent Auditors' Report on the Financial Statements</b>	14 - 16
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	17 - 18
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	19
<b>Balance Sheet</b>	20
<b>Statement of Cash Flows</b>	21
<b>Notes to the Financial Statements</b>	22 - 40

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Members</b>	Anthony Evans Ben Coggan Graham Skinner
<b>Trustees</b>	Anthony Evans, Chairman David Martin, Vice Chair Jonathan Locke, Headteacher Maureen Bray Ray James Peter Westbrook Paul Wilson Gary Austin
<b>Company registered number</b>	07697367
<b>Company name</b>	Rivers Multi Academy Trust
<b>Principal and registered office</b>	Leventhorpe School Cambridge Road Sawbridgeworth Herts CM21 9BY
<b>Company Secretary</b>	Jackie Moodie
<b>Accounting Officer</b>	Jonathan Locke, Headteacher
<b>Senior Management Team</b>	Jonathan Locke, Headteacher James Dyke, Deputy Head Malcolm White, Deputy Head Catherine Cusick, Assistant Head Alex Francis, Assistant Head Dave Harvey, Assistant Head Belinda Kistell, Assistant Head Wendy Shannon, Personnel Manager
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**Advisers (continued)**

**Bankers**

Lloyds Bank  
25 Gresham Street  
London  
EC2V7HN

Virgin Money  
Jubilee House  
Gosforth  
Newcastle-Upon-Tyne  
NE3 4PL

Aldermore Bank Plc  
1st Floor  
Block B  
Western House  
Lynch Wood  
Peterborough  
PE2 6FZ

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Rivers Multi Academy Trust (the Charitable Company, or the Trust) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates a secondary academy school serving a catchment area in Sawbridgeworth. There is one school currently in the Trust with a capacity of 1,202. This had a roll of 1,194 in the 2017 census.

**Structure, Governance and Management**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The term Governor refers to a member of the Local Governing Body (LGB). The Charitable Company, constituted as a multi-academy trust, currently includes the following School: Leventhorpe School (the School).

The operation of the School and employment of staff are the responsibility of the Trustees. The Trust has control of Trust budgets and finances, and monitors these through its Finance and Resources Committee.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section.

**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, for the debts and liabilities contracted before they ceased to be a Member.

**Trustees and Officers' Indemnities**

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

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

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for no less than 3 and no maximum number of Trustees.

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

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees are required to attend a training programme. The induction programme would involve a tour of the School, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, meets on at least 4 occasions per year and its 2 sub committees Resources (including finance), and the School Improvement and Student Welfare Committee at least 6 times per year. The Board of Trustee is responsible for the strategic direction of the Trust. They review progress towards educational objectives and results; approve major expenditure requests; set the budget for the following year; set the organisational staffing structure; agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

## **RIVERS MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017**

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

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

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

#### **Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- member of Bishop's Stortford and Sawbridgeworth Consortium of Secondary Schools;
- partner with Cambridge University as a Training School;
- strategic partner of local Teaching School Alliance, Alban TSA;
- National Support School;
- member of Bishop Stortford Educational Trust (BSET).

The Trust does not have a formal sponsor.

#### **Objectives and Activities**

##### **Objects and Aims**

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities within its local community between the ages of 11 and 18.

##### **Objectives, Strategies and Activities**

The Trustees set out to maintain and develop an School offering a broad curriculum with a strong emphasis on, but in no way limited to, business and enterprise through our vision of providing the care and opportunities for all to grow, learn and face challenge with confidence. In order to achieve this, the School strives to instil three core values:

- excellence - growing to be the best you can be;
- commitment - taking opportunities and being passionate about learning; and
- respect - caring about each other and appreciating our individual skills and needs.

The School aims to achieve the following:

- develop a learning environment where students become independent in a climate of creativity, innovation and challenge. We all accept we can improve, especially in the classroom;

## RIVERS MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- provide students with the opportunities, support and challenge to grow as individuals and to become successful young citizens;
- provide staff with an exciting and engaging environment in which reflection, innovation and creativity are nurtured; staff enjoy learning, feel trusted and are well supported;
- nurture positive, collaborative partnerships with parents to ensure that they feel able to understand and support their childrens' progress and personal development; and
- build infrastructure and systems that support a high quality learning experience for staff, students and parents.

During the year the Trust has worked towards these aims by:

- robust and transparent quality assurance processes which culminate in action plans;
- data capture and analysis to measure progress that forms the basis of actions and intervention;
- a constant review of CPD and training opportunities for staff; and
- a core transparent structure which allows all staff and students to clearly understand their role within the organisation.

Our success in fulfilling our aims can be measured by:

- still having an outstanding OfSTED status;
- upper quartile sixth A level progress;
- above average Attainment P8;
- oversubscribed School (200 1st choice year 7, 350 on roll in sixth form);
- SEN and pupil premium outcomes- gap reduced;
- staff morale is high; and
- improved staff retention.

#### Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

#### Strategic Report

##### Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

Specific achievements were as follows:

- the School's overall examination results in summer 2017 showed improvement and all three cohorts showed solidly good outcomes, with areas of very good progress;
- GCSE saw improved attainment and good value-added;
- A level saw improved pass rates and the percentage of A-B grades was the highest ever achieved by the School. In addition there was an improved average grade per entry and value-added progress that has hit our upper quartile targets;
- overall all, disadvantaged learners had done well and were approaching the attainment of non-disadvantaged learners. The progress of SEND students was especially strong;
- to ensure standards are maintained and raised at the School, the Board of Trustees operate a robust quality assurance process which monitors the quality of teaching and learning and conducts a rigorous review of attainment through School self-evaluation (RAISE online) and Go4Schools to measure the progress of students, paying particular regard to their achievement on entry and levels of subsequent progress achieved;
- the Trust received a successful bid application as part of the Government's Priority School Building Programme to secure future funding to rebuild of the sixth form and science block; and
- funding is in the process of being secured to build a new performing arts block which will enable the School to permanently expand its roll to 8FE.

#### Key Performance Indicators

The Trustees receive regular information at each Committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2017 were 1,194 against a capacity of 1,202.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016/17 this was 75%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board of Trustees.

The Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

### **Going Concern**

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

### **Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £6,990,253 of GAG and other funding (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £7,023,086 (excluding capital and depreciation). The Trust brought forward from 15/16, £688,870 restricted funds and £1,777,584 unrestricted funding (including 102,246 of sinking fund for wasting assets). The carry forward for 16/17 is £245,510 restricted funding and £1,777,114 unrestricted funding (including £102,246 of sinking fund for wasting assets)

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,125,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### **Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Director of Finance. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,777,114 (including 102,246 of sinking fund for wasting assets). This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £2,022,624.

The cash balance of the trust has been very healthy all year, ending the year with a balance of £2,719,261. Trustees in executing their obligation to maintain the Trust's building infrastructure are aware that future maintenance and refurbishment as well as potential expansion requires planned adequate funding. In light of these anticipated on-going costs and reducing revenues the Trustees have again declined to deplete historical cash reserves and have chosen instead to retain as much as possible to support future expenditure. This has been achieved without compromising the quality of the education offering to the Trust's students. The Trustees monitor cash flow as part of the Management Information reports and attempt to hold a minimum of £250,000 to cover short term cash flow variances.

### **Investment Policy**

An Investment Policy was approved by the Resources Committee 8 December 2015.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

## RIVERS MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

#### Principal Risks and Uncertainties

The Trust maintains a central risk register identifying the major risks, to which it is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees via the Resources Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Resources Committee meeting. The principal risks facing the Trust are outlined below; those facing the School at an operational level are addressed by its systems and by internal financial and other controls. The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the School has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the School is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any academy ceasing to exist, the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

#### Plans for Future Periods

Leventhorpe School will continue striving to improve the performance of its students at all levels and will continue its efforts to ensure all students leave the School suitably equipped to enter the workplace, engage in further training or continue their education. Aside from aiming to ensure that students leave the School having achieved excellent results, the School also promotes the development of wider skills and independence in its students. The School will continue to review and revise its curriculum offering to best suit the needs of students in a changing educational landscape.

Aside from the on-going maintenance projects, the Trust aims to totally refurbish the Science and Sixth Form block through the PSBP2 programme. The trust is also aiming to build a new performing arts block which will provide the necessary facilities to expand the roll to 8FE.

As an official sponsor approved school and a multi academy trust, the Trust is well-placed to consider any possible proposals for more formal collaboration with other organisations. The Members and Board of Trustees are prioritising their plans to permanently expand the School roll this year.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Funds Held as Custodian Trustee on Behalf of Others**

The Trust is the recipient of a small income stream from the Norman Bradley Trust that is used to assist students that are now studying mathematics at university. The fund's principal is managed but not owned by the Trust.

The Academy Trust acts as an agent in distributing 16-19 Bursary Funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the EFA. For further details please refer to Note 22 to the financial statements.

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 12 December 2017 and signed on the Board's behalf by:

**Anthony Evans**  
**Chair**

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Evans, Chairman	4	4
David Martin, Vice Chair	3	4
Jonathan Locke, Headteacher	4	4
Maureen Bray	4	4
Ray James	4	4
Peter Westbrook	3	4
Paul Wilson	4	4
Gary Austin	3	4

There has been no change in the composition of the Board of Trustees in the year. Throughout 2016/17 the Board of Trustees actively sought the engagement of our local primary schools with the development of Rivers Multi Academy Trust. Discussions were useful but for various reasons (national, regional, local and diocesan) none of the primaries felt able to join our MAT in 2016/17. The Trust's long-term intention of stronger and more formal collaboration with our local schools remains unchanged. In the meantime work was carried out to ensure that the governance structure reflected the Trust's status as a single academy MAT.

There has been an external review of governance during the year as part of our internal review programme.

As a result of the review a Governor recruitment process took place and 8 new Governors were appointed/elected to the Local Governing Body to ensure that the Trust structure reflects a single academy MAT in order to carry out its governance responsibilities effectively. The "Strategy Group" established in 2015/16 continued to provide greater strategic focus on certain areas:

- Expansion +2FE & possible primary provision on site.
- Admissions.
- Local community; pool, arts etc.
- Bishop's Stortford Educational Trust and other local trusts.
- Teaching School Status – the School joined St Albans Teaching Alliance.
- Curriculum – Ebacc.
- Overall governance of the MAT.

A further review of governance is planned for 2017/2018 to allow changes from the review in 2016/2017 to be implemented and for the Governors or Trustees to evaluate the impact of the changes made. All new Governors or Trustees completed a skills audit to ensure that their responsibilities aligned well with their expertise and experience.

**RIVERS MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

The Resources Committee is a sub-committee of the Board of Trustees. Its purpose is to address the financial matters arising.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jonathan Locke, Headteacher	5	6
Anthony Evans, Chairman	6	6
Paul Wilson	5	6
David Martin	5	6
Robin Chalcraft	4	6
Gary Austin	6	6
Qasim Duranni	5	6

**REVIEW OF VALUE FOR MONEY**

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

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

- Putting the grounds maintenance contract out to tender and resulting in a 27.5% reduction against the previous contract and a better standard of customer care.
- Freezing the cost of the contract for the maintenance of the All Weather pitch for 5 years.
- Putting the phone maintenance and call charges contract out to tender resulting in a £1k saving per year with a better standard of customer care.
- The use of volunteers in replacement of salaried staff in administrative roles which has resulted in a £12k saving over the course of the year.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rivers Multi Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- The EFA's Governance and Financial "musts"
- Internal audit on Expenditure

On a termly basis, the Internal Auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher 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 Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 12 December 2017 and signed on their behalf, by:

**Anthony Evans**  
Chair

**Jonathan Locke**  
Accounting Officer

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Rivers Multi Academy Trust I have considered my responsibility to notify the Board of Trustees 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 2016.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

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

**Jonathan Locke**  
**Accounting Officer**

Date: 12 December 2017

**RIVERS MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 12 December 2017 and signed on its behalf by:

**Anthony Evans**  
**Chair**

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIVERS  
MULTI ACADEMY TRUST**

**OPINION**

We have audited the financial statements of Rivers Multi Academy Trust (the Trust) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF 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 financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIVERS  
MULTI ACADEMY TRUST**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements have been prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIVERS  
MULTI ACADEMY TRUST**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

Gary Miller FCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
15 December 2017

## **RIVERS MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RIVERS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rivers Multi Academy Trust during the year 1 September 2016 to 31 August 2017 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 Rivers Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rivers Multi Academy Trust and the 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 Rivers Multi Academy Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF RIVERS MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Rivers Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 October 2015, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RIVERS  
MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants

15 December 2017

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	15,334	338,391	62,437	416,162	525,440
Charitable activities	3	452,286	6,066,579	-	6,518,865	6,600,063
Other trading activities	4	69,187	33,739	-	102,926	119,676
Investments	5	14,737	-	-	14,737	14,899
<b>TOTAL INCOME</b>		<u>551,544</u>	<u>6,438,709</u>	<u>62,437</u>	<u>7,052,690</u>	<u>7,260,078</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		<u>552,014</u>	<u>6,471,072</u>	<u>768,911</u>	<u>7,791,997</u>	<u>7,538,410</u>
<b>TOTAL EXPENDITURE</b>	6	<u>552,014</u>	<u>6,471,072</u>	<u>768,911</u>	<u>7,791,997</u>	<u>7,538,410</u>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>						
Transfers between funds	15	(470)	(32,363)	(706,474)	(739,307)	(278,332)
		<u>-</u>	<u>(410,997)</u>	<u>410,997</u>	<u>-</u>	<u>-</u>
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(470)	(443,360)	(295,477)	(739,307)	(278,332)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	823,000	-	823,000	(700,000)
		<u>-</u>	<u>823,000</u>	<u>-</u>	<u>823,000</u>	<u>(700,000)</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>(470)</u>	<u>379,640</u>	<u>(295,477)</u>	<u>83,693</u>	<u>(978,332)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>1,777,584</u>	<u>(1,111,130)</u>	<u>19,563,899</u>	<u>20,230,353</u>	<u>21,208,685</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,777,114</u></u>	<u><u>(731,490)</u></u>	<u><u>19,268,422</u></u>	<u><u>20,314,046</u></u>	<u><u>20,230,353</u></u>

**RIVERS MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07697367**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	11		19,268,422		19,563,899
Investments	12		25		25
			19,268,447		19,563,924
<b>CURRENT ASSETS</b>					
Debtors	13	185,364		244,407	
Cash at bank and in hand				2,997,780	
			2,904,625	3,242,187	
<b>CREDITORS:</b> amounts falling due within one year	14	(734,026)		(775,758)	
<b>NET CURRENT ASSETS</b>			2,170,599		2,466,429
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			21,439,046		22,030,353
Defined benefit pension scheme liability	19		(1,125,000)		(1,800,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			20,314,046		20,230,353
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	393,510		688,870	
Restricted fixed asset funds	15		19,268,422	19,563,899	
Restricted income funds excluding pension liability			19,661,932	20,252,769	
Pension reserve			(1,125,000)	(1,800,000)	
Total restricted income funds			18,536,932		18,452,769
Unrestricted income funds	15		1,777,114		1,777,584
<b>TOTAL FUNDS</b>			20,314,046		20,230,353

The financial statements on pages 19 to 40 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

**Anthony Evans**  
**Chair of Trustees**

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	117,741	640,275
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Interest		14,737	14,899
Purchase of tangible fixed assets		(410,997)	(357,084)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(396,260)	(342,185)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		(278,519)	298,090
Cash and cash equivalents brought forward		2,997,780	2,699,690
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>	18	2,719,261	2,997,780
		<hr/> <hr/>	<hr/> <hr/>

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Rivers Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

**1.2 Company status**

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Leventhorpe School, Cambridge Road, Sawbridgeworth, Hertfordshire, CM21 9BY.

**1.3 Fund accounting**

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the Trust's operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Going Concern**

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

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Motor vehicles	-	5 years straight line
Fixtures and fittings	-	8 to 10 years straight line
Computer equipment	-	4 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating Income and Expenditure Account.

**1.8 Investments**

The Trust's shareholding in Herts for Learning Limited is included in the Balance Sheet at the cost of the share capital owned. There is no readily available market value and the cost of a formal valuation exceeds the benefit derived.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

**1.10 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.14 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 costs as detailed in note 14. 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 instruments.

**1.15 Taxation**

The 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 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.

**RIVERS MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.16 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.17 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Trustees make 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2017. 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.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	15,334	338,391	-	353,725	275,462
Capital grants	-	-	62,437	62,437	249,978
	<u>15,334</u>	<u>338,391</u>	<u>62,437</u>	<u>416,162</u>	<u>525,440</u>
<i>Total 2016</i>	<u>4,663</u>	<u>270,799</u>	<u>249,978</u>	<u>525,440</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,748,626	5,748,626	5,707,080
Other DfE / ESFA grants	-	136,157	136,157	232,306
Schools direct (salaries)	-	178,272	178,272	162,068
	<u>-</u>	<u>6,063,055</u>	<u>6,063,055</u>	<u>6,101,454</u>
<b>Other government grants</b>				
Local Authority grants	-	3,524	3,524	72,807
Other Government grants	-	-	-	6,600
	<u>-</u>	<u>3,524</u>	<u>3,524</u>	<u>79,407</u>
<b>Other funding</b>				
Catering income	452,286	-	452,286	419,202
	<u>452,286</u>	<u>-</u>	<u>452,286</u>	<u>419,202</u>
	<u>452,286</u>	<u>6,066,579</u>	<u>6,518,865</u>	<u>6,600,063</u>
<i>Total 2016</i>	<u>419,202</u>	<u>6,180,861</u>	<u>6,600,063</u>	

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	7,221	-	7,221	7,279
Other income	61,966	33,739	95,705	112,397
	<u>69,187</u>	<u>33,739</u>	<u>102,926</u>	<u>119,676</u>
<i>Total 2016</i>	<u>88,706</u>	<u>30,970</u>	<u>119,676</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank Interest	14,737	-	14,737	14,899
	<u>14,737</u>	<u>-</u>	<u>14,737</u>	<u>14,899</u>
<i>Total 2016</i>	<u>14,872</u>	<u>27</u>	<u>14,899</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct costs	4,284,684	-	812,370	5,097,054	4,878,875
Support costs	1,044,710	1,052,076	598,157	2,694,943	2,659,535
	<u>5,329,394</u>	<u>1,052,076</u>	<u>1,410,527</u>	<u>7,791,997</u>	<u>7,538,410</u>
<i>Total 2016</i>	<u>5,263,405</u>	<u>1,057,435</u>	<u>1,217,570</u>	<u>7,538,410</u>	

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**CHARITABLE ACTIVITIES**

	2017 £	2016 £
Direct costs	5,097,054	4,878,875
Support costs	2,694,943	2,659,535
	<u>7,791,997</u>	<u>7,538,410</u>

Analysis of support costs	2017 £	2016 £
Support staff costs	1,044,710	952,822
Depreciation	706,474	717,152
Technology costs	4,889	5,293
Premises costs (excluding depreciation)	345,602	340,283
Other costs	578,498	630,294
Governance costs	14,770	13,691
	<u>2,694,943</u>	<u>2,659,535</u>

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned or leased by the Trust	706,474	717,152
Auditors' remuneration - audit	6,700	6,700
Auditors' remuneration - non-audit	5,000	6,991
Operating lease rentals	10,387	10,361
	<u>728,561</u>	<u>741,204</u>

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**8. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,179,084	4,182,645
Social security costs	340,667	302,259
Operating costs of defined benefit pension schemes	784,884	697,682
	<u>5,304,635</u>	<u>5,182,586</u>
Apprenticeship levy	2,146	-
Supply teacher costs	22,613	80,819
	<u><u>5,329,394</u></u>	<u><u>5,263,405</u></u>

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

	2017 No.	2016 No.
Teachers	77	87
Administration and support	98	84
Management	8	9
	<u>183</u>	<u>180</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	2	2
In the band £100,001 - £110,000	1	1

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £790,173 (2016: £731,128).

Included in the above are employer pension contributions of £105,162 (2016 - £98,371) and national insurance contributions of £72,361 (2016 - 60,743).

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**9. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

Jonathan Locke (Headteacher)  
Remuneration: £105,000 - £110,000 (2016: £105,000 - £110,000)  
Employer's pension contributions: £15,000 - £20,000 (2016: £15,000 - £20,000)

Carol Hayward (Staff Trustee)  
Remuneration: £40,000 - £45,000 (2016: £NIL - £5,000)  
Employer's pension contributions: £5,000 - £10,000 (2016: £NIL - £5,000)

Neil Beardsworth (Staff Trustee)  
Remuneration: £45,000 - £50,000 (2016: £NIL - £5,000)  
Employer's pension contribution: £5,000 - £10,000 (2016: £NIL - £5,000)

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL)

**10. TRUSTEES' AND OFFICERS' INSURANCE**

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

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Assets under construction £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2016	20,701,113	85,319	5,009	1,694,391	351,452	22,837,284
Additions	-	359,456	-	14,636	36,905	410,997
Transfer between classes	-	(59,083)	-	59,083	-	-
At 31 August 2017	20,701,113	385,692	5,009	1,768,110	388,357	23,248,281
<b>Depreciation</b>						
At 1 September 2016	2,244,367	-	4,384	784,734	239,900	3,273,385
Charge for the year	462,089	-	385	191,748	52,252	706,474
At 31 August 2017	2,706,456	-	4,769	976,482	292,152	3,979,859
<b>Net book value</b>						
At 31 August 2017	17,994,657	385,692	240	791,628	96,205	19,268,422
At 31 August 2016	18,456,746	85,319	625	909,657	111,552	19,563,899

Included in land and buildings is freehold land at a valuation of £8,806,307 (2016 - £8,806,307) which is not depreciated.

**RIVERS MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**12. FIXED ASSET INVESTMENTS**

		Other investments £
<b>Cost</b>		
At 1 September 2016 and 31 August 2017		25
		<u>25</u>

**Investments at cost comprise:**

	2017 £	2016 £
Other fixed asset investments	25	25
	<u>25</u>	<u>25</u>

All the fixed asset investments are held in the UK

**13. DEBTORS**

	2017 £	2016 £
Trade debtors	1,100	1,671
Other debtors	63,943	32,093
Prepayments and accrued income	104,499	138,894
VAT recoverable	15,822	71,749
	<u>185,364</u>	<u>244,407</u>

**14. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	198,126	234,897
Other taxation and social security	98,558	96,207
Amounts repayable to the ESFA	-	53,875
Other creditors	159,697	121,795
Accruals and deferred income	277,645	268,984
	<u>734,026</u>	<u>775,758</u>

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	140,672	76,626
Resources deferred during the year	126,407	140,672
Amounts released from previous years	(140,672)	(76,626)
	<u>126,407</u>	<u>140,672</u>

Deferred income held at 31 August 2017 relates to income for trips taking place in the next financial year and grants received in relation to future periods.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**15. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Designated funds</b>						
Sinking fund for wasting assets	102,246	-	-	-	-	102,246
<b>General funds</b>						
General funds - all funds	1,675,338	551,544	(552,014)	-	-	1,674,868
Total unrestricted funds	1,777,584	551,544	(552,014)	-	-	1,777,114
<b>Restricted funds</b>						
General Annual Grant (GAG)	531,079	5,748,626	(5,675,309)	(410,997)	-	193,399
Other DfE/ EFA	-	44,449	(44,449)	-	-	-
Pupil premium	-	91,708	(91,708)	-	-	-
Norman Bradley Trust	99,807	-	(800)	-	-	99,007
School trips	-	338,391	(338,391)	-	-	-
Schools Direct (salaried)	-	178,272	(135,152)	-	-	43,120
Sponsor capacity funding	57,984	3,624	(3,624)	-	-	57,984
Other Government funding	-	3,524	(3,524)	-	-	-
Other restricted	-	30,115	(30,115)	-	-	-
Pension reserve	(1,800,000)	-	(148,000)	-	823,000	(1,125,000)
	(1,111,130)	6,438,709	(6,471,072)	(410,997)	823,000	(731,490)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	19,563,899	-	(706,474)	410,997	-	19,268,422
ESFA capital grants	-	62,437	(62,437)	-	-	-
	19,563,899	62,437	(768,911)	410,997	-	19,268,422
Total restricted funds	18,452,769	6,501,146	(7,239,983)	-	823,000	18,536,932
Total of funds	20,230,353	7,052,690	(7,791,997)	-	823,000	20,314,046

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**15. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Designated funds</b>						
Sinking fund for wasting assets	80,000	-	-	22,246	-	102,246
	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>22,246</u>	<u>-</u>	<u>102,246</u>
<b>General funds</b>						
General funds - all funds	1,457,128	527,443	(286,987)	(22,246)	-	1,675,338
	<u>1,457,128</u>	<u>527,443</u>	<u>(286,987)</u>	<u>(22,246)</u>	<u>-</u>	<u>1,675,338</u>
Total Unrestricted funds	<u>1,537,128</u>	<u>527,443</u>	<u>(286,987)</u>	<u>-</u>	<u>-</u>	<u>1,777,584</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	416,862	5,707,080	(5,592,863)	-	-	531,079
Other DfE/ESFA	-	62,792	(62,792)	-	-	-
Pupil Premium	-	69,514	(69,514)	-	-	-
Norman Bradley Trust	102,022	185	(2,400)	-	-	99,807
School trips	8,610	270,799	(279,409)	-	-	-
Schools Direct (salaried)	13,184	162,068	(175,252)	-	-	-
Sponsor capacity funding	-	100,000	(42,016)	-	-	57,984
Other restricted	-	30,812	(30,812)	-	-	-
Pension reserve	(1,041,000)	-	(59,000)	-	(700,000)	(1,800,000)
	<u>(500,322)</u>	<u>6,403,250</u>	<u>(6,314,058)</u>	<u>-</u>	<u>(700,000)</u>	<u>(1,111,130)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	19,923,966	-	(717,152)	357,085	-	19,563,899
ESFA capital grants	247,913	249,978	(140,806)	(357,085)	-	-
	<u>20,171,879</u>	<u>249,978</u>	<u>(857,958)</u>	<u>-</u>	<u>-</u>	<u>19,563,899</u>
Total restricted funds	<u>19,671,557</u>	<u>6,653,228</u>	<u>(7,172,016)</u>	<u>-</u>	<u>(700,000)</u>	<u>18,452,769</u>
Total of funds	<u><u>21,208,685</u></u>	<u><u>7,180,671</u></u>	<u><u>(7,459,003)</u></u>	<u><u>-</u></u>	<u><u>(700,000)</u></u>	<u><u>20,230,353</u></u>

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

**Sinking fund for wasting assets**

The Sinking fund for wasted assets was established in order to ring-fence funds for future anticipated refurbishment costs of the all weather pitch and the swimming pool.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**15. STATEMENT OF FUNDS (continued)**

**General funds**

The general fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

**General Annual Grant (GAG)**

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

**Other DfE and ESFA**

This represents non-GAG funding received from the DfE/ESFA which is restricted in nature.

**Pupil Premium**

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Norman Bradley Trust**

Funds from the Norman Bradley Trust are used to assist ex-Rivers Multi Academy Trust students studying mathematics at university.

**Restricted trip donations**

This represents contributions made by parents towards the running costs of trips for the pupils of the School and the associated costs.

**Schools Direct (salaried)**

The Schools Direct (salaried) fund represents funding received from the Department for Education to provide Initial Teacher Training (ITT).

**Sponsor capacity funding**

This represents funding received from ESFA that specifically supports eligible schools that need additional funding to take on schools.

**Other Government grants**

This represents funding received from other Government bodies, local and national, which are restricted in nature.

**Pension reserve**

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

**Restricted fixed asset fund**

Restricted fixed assets fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfers between funds represents additions purchased through GAG funding.

**ESFA capital grants**

This represents funding received from ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	19,268,422	19,268,422
Fixed asset investments	-	25	-	25
Current assets	1,777,114	1,127,511	-	2,904,625
Creditors due within one year	-	(734,026)	-	(734,026)
Provisions for liabilities and charges	-	(1,125,000)	-	(1,125,000)
	<u>1,777,114</u>	<u>(731,490)</u>	<u>19,268,422</u>	<u>20,314,046</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	19,563,899	19,563,899
Fixed asset investments	-	25	-	25
Current assets	1,777,584	1,464,603	-	3,242,187
Creditors due within one year	-	(775,758)	-	(775,758)
Provisions for liabilities and charges	-	(1,800,000)	-	(1,800,000)
	<u>1,777,584</u>	<u>(1,111,130)</u>	<u>19,563,899</u>	<u>20,230,353</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(739,307)	(278,332)
<b>Adjustment for:</b>		
Depreciation charges	706,474	717,151
Interest received	(14,737)	(14,899)
Decrease/(increase) in debtors	59,043	(28,052)
(Decrease)/increase in creditors	(41,732)	185,407
Defined benefit pension scheme adjustment	148,000	59,000
<b>Net cash provided by operating activities</b>	<u>117,741</u>	<u>640,275</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	2,719,261	2,997,780
<b>Total</b>	<u>2,719,261</u>	<u>2,997,780</u>

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**19. PENSION COMMITMENTS**

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £82,483 were payable to the schemes at 31 August 2017 (2016 - £83,827) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £464,059 (2016 - £481,156).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**19. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £267,000 (2016 - £247,000), of which employer's contributions totalled £212,000 (2016 - £196,000) and employees' contributions totalled £55,000 (2016 - £51,000). The agreed contribution rates for future years are 27.8% for employers and 5.5-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

<b>Sensitivity analysis</b>	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	3,511,020	3,646,336
Discount rate -0.1%	3,668,980	3,825,664
Mortality assumption - 1 year increase	3,633,080	3,758,416
Mortality assumption - 1 year decrease	3,546,920	3,713,584
CPI rate +0.1%	3,654,620	3,788,304
CPI rate -0.1%	3,525,380	3,683,696

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,602,000	1,220,000
Bonds	616,000	542,000
Corporate bonds	-	-
Property	173,000	136,000
Cash	74,000	38,000
<b>Total market value of assets</b>	<b>2,465,000</b>	<b>1,974,000</b>

The actual return on scheme assets was £330,000 (2016 - £249,000).

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**19. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(323,000)	(216,000)
Interest income	41,000	58,000
Interest cost	(78,000)	(97,000)
	<u>                    </u>	<u>                    </u>
Total	<u><u>(360,000)</u></u>	<u><u>(255,000)</u></u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,736,000	2,510,000
Current service cost	323,000	216,000
Interest cost	78,000	97,000
Employee contributions	55,000	51,000
Actuarial (gains)/losses	(534,000)	891,000
Benefits paid	(68,000)	(29,000)
	<u>                    </u>	<u>                    </u>
Closing defined benefit obligation	<u><u>3,590,000</u></u>	<u><u>3,736,000</u></u>

Movements in the fair value of the Trust's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	1,936,000	1,469,000
Expected return on assets	41,000	58,000
Actuarial losses	289,000	191,000
Employer contributions	212,000	196,000
Employee contributions	55,000	51,000
Benefits paid	(68,000)	-
	<u>                    </u>	<u>                    </u>
Closing fair value of scheme assets	<u><u>2,465,000</u></u>	<u><u>1,936,000</u></u>

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	8,814	10,387
Between 1 and 5 years	5,274	14,558
	<u>                    </u>	<u>                    </u>
Total	<u><u>14,088</u></u>	<u><u>24,945</u></u>

**RIVERS MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**21. MEMBERS' LIABILITY**

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

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The spouse of Trustee Gary Austin is employed by the Trust on a contract approved by the Trustees whose remuneration is in line with the standard payscales for the role undertaken and their employment contract is subject to normal terms and conditions.

**23. AGENCY ARRANGEMENTS**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 201 the trust received £13,171 and disbursed £7,705 from the fund. An amount of £32,853 is included in other creditors relating to undistributed funds that is repayable to ESFA.