

**Company Registration Number:  
8284164 (England & Wales)**

# **RIDGEWAY ACADEMY TRUST**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**31 AUGUST 2021**

Presented by:

**Mills Pyatt Limited**

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**RIDGEWAY ACADEMY TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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# RIDGEWAY ACADEMY TRUST

## TRUSTEES' REPORT

### REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	Mrs J Higgitt Mrs J Craig Mrs J Breakwell Mrs C Stewart (appointed 23 October 2020)
<b>Trustees</b>	Mrs C Torrington, Chair of Trustees Mr M Bennett, Headteacher Mrs N Hunter Mrs K Farrelly Mr J Breeze (resigned 24 May 2021 and reappointed 8 October 2021) Mrs L Allen (appointed 9 February 2021) Miss J Powell (appointed 18 February 2021) Mrs S Lewison-Frisch (appointed 1 December 2020) Mrs J Ashton (appointed 18 November 2020) Mrs J Kinnaird (appointed 18 November 2020)  resigned: Mrs J Breakwell (resigned 27 January 2021) Mrs J Craig (resigned 31 December 2020) Mr J Worton (resigned 18 February 2021) Mr S Woodward (resigned 7 September 2021) Mr S Preston (resigned 26 April 2021) Mrs D Munford (appointed 1 December 2020 and resigned 26 October 2021) Mr L Ventura (appointed 18 February 2021 and resigned 16 October 2021)
<b>Acting Accounting Officer</b>	Mr M Ball (Deputy Headteacher)
<b>Senior Leadership Team</b>	Mr M Bennett, Headteacher Mr M Ball, Deputy Headteacher Mr A Hewitt, School Business Manager Mr J Worton, Assistant Headteacher / SenCo
<b>Company Name</b>	Ridgeway Academy Trust
<b>Principal and Registered Office</b>	Ridgeway Academy Trust Evesham Road Astwood Bank Redditch Worcestershire B96 6BD
<b>Company Registration Number</b>	8284164 (England and Wales)
<b>Independent Auditor</b>	Mills Pyatt Ltd 11 Kingfisher Business Park Arthur Street Lakeside Redditch Worcestershire B98 8LG
<b>Bankers</b>	Lloyds Bank Plc 19 Church Green East Redditch Worcestershire B98 8BZ
<b>Solicitors</b>	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

## **RIDGEWAY ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 9 to 16 in Redditch, Worcestershire. It has a pupil capacity of 600 and had a roll of 374 in the school census in October 2020.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Ridgeway Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Ridgeway Academy Trust are also the Directors of the charitable company for the purposes of company law. The Charitable Company operates as Ridgeway Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 2.

##### **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' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

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

On 1 December 2012 the Trustees appointed all those Trustees that served the predecessor school to be Trustee of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- Up to 3 Trustees who are appointed by members.
- Up to 2 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- Up to 2 Staff Trustees appointed by Trustee Board.
- Any number of Community Trustees who are appointed by the Trustee Board.
- The Headteacher who is treated for all purposes as being an ex officio Governor.

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

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

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

The Academy has a Trustee Recruitment, Induction and Training policy available from the Governance Professional. The training and induction provided for new Trustees will depend upon their existing experience but would always include, where possible, a tour of the Academy and a chance to meet pupils and staff. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other key documentation that they will need to undertake their role as Trustee. As there are only normally a small number of new Trustees each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

##### **Organisational Structure**

The Charitable Trust is constituted as a Single Academy Trust.

The Board of Trustees normally meets once each half term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures. It receives reports including policies from its Trustees for ratification. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

A flat structure is in operation and there is only one sub-committee in operation. This is to provide Trustees with a holistic view of the school and understand the implications of all strategic decisions made.

Decisions that are reserved for the Board of Trustees include: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Head Teacher and Governance Professional, and; to approve the School Development Plan and budget.

## RIDGEWAY ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

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The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Academy to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Head Teacher, Deputy Head Teacher, Assistant Head Teacher and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance. Heads of Department support the SLT with the aim of focussing on curriculum delivery and progress of pupils. Heads of Department underpin this through the analysis and provision of data.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Head Teacher and Business Manager are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. The Head Teacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

#### The Trust Board

Currently, the Deputy Head Teacher is the Acting Accounting Officer.

The Audit and Risk Committee meet at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Scrutineer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

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

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy Trust on charge of directing and controlling, running and operating the Trust on a day to day basis.

All Trustees give their time freely and Trustees' remuneration in the year is disclosed in the notes to the financial statements. Details of Trustees' expenses and related party transactions are also disclosed in the notes to the accounts, where they occur.

The pay of key management personnel is reviewed annually and normally increased in accordance with Teacher's Pay and Conditions or Local Government Association, both in line with Trade Union agreement. Management pay can also increase in line with the Academy's Pay policy and Appraisal Policy.

#### Trade Union Facility Time

During the year, there were no employees who were relevant trade union officials for the purposes of facility time reporting.

An arrangement has been entered into with Worcestershire County Council to provide facilities arrangements to the Academy.

Percentage of pay bill spent on facility time:

Total cost of facility time	£819
Total pay bill	£1,720,859
Percentage of the total pay bill spent on facility time	0.05%

### OBJECTIVES AND ACTIVITIES

#### Objects and Aims

The principal object and activity of the Charitable Company operating as Ridgeway Academy Trust is to advance for the public benefit free education in Redditch and the surrounding area, in particular by establishing, maintaining, carrying on, managing and developing a school, offering care and a broad range of curriculum for pupils of different abilities.

The aims of the Academy during the year are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils.
- To provide a broad and balanced curriculum, including extracurricular activities.
- To develop pupils as more effective learners.
- To develop the Academy site so that it enables pupils to achieve their full potential.
- To ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with industry and commerce and the local community.
- To develop the Academy's capacity to manage change, and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Ridgeway Academy aims to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office.

## RIDGEWAY ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from the national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- review of numeracy, literacy and ICT capability.
- review of staffing levels in the light of budgetary pressure.
- further development of the intranet to support administration and communication.
- development and embedding of key financial and administrative procedures arising from conversion.
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support other charitable activities.

#### Principal Activities

The principal activity of Ridgeway Academy Trust was the operation of Ridgeway Secondary School, Redditch, Worcestershire, providing Secondary education for 9 - 16 yrs.

#### Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

#### Public Benefit

In setting the Trust's objectives and planning its activities, the Board of Trustees has considered the Charity Commission's general guidance on public benefit. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities. The Trustees consider that the Trust's aims are demonstrably to the public benefit.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the community.

As an Academy we have a duty to support other schools. This year we have continued to support numerous First and Primary schools through the use of our premises, resources and specialist skills in PE, Science and Outdoor Learning.

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE

The Academy is in its ninth year of operation. The total number of pupils in the year was 374.

Creating an ethos of personal development and high standards enables our students to achieve academic success. Students and staff work hard and teachers use the latest evidence-based research to ensure knowledge and skills are embedded in the long-term memory. The curriculum and the lessons within it are carefully planned in a sequence that is most conducive to retaining and applying information. As a result, our students achieve the highest possible grades at GCSE and make excellent progress, significantly above national expectations from their starting points. They go on to study a wide range of courses at the very best 6th Form providers and colleges.

GCSE Results		
Progress 8* Score	0.54	0.39
9-5 in English & Maths	47.50%	50.00%
9-5 in English	49.20%	61.90%
9-5 in Maths	63.90%	56.00%
9-4 in English & Maths	68.90%	70.20%
9-4 in English	70.50%	79.80%
9-4 in Maths	78.70%	75.00%
9-5 in Science	42.90%	42.60%
9-4 in Science	58.90%	66.90%
Students achieving grades 7 to 9 in 8 subjects or more	9.80%	8.30%

The results that have been achieved by our students are outstanding and are reward for their hard work, determination and resilience during extremely challenging times. It is also testament to the high standards and excellent teaching and support of the staff at Ridgeway, who could not have worked any harder and of parents and loved ones who have supported their children throughout their time at this school. There have been some exceptional individual performances with students achieving 9s across the board.

Ridgeway Academy has continued to develop our staff with accredited training with middle leadership undertaking the NPQML and the School Business Manager completing the Diploma in School Business Management.

## RIDGEWAY ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

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#### Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) is under special attention.

As core funding is based on pupil numbers, this is a key performance indicator. The number of pupils for which GAG was received during the financial year was 429. This is an increase from the prior year number of 420, increasing the financial confidence. However, pupil numbers have reduced subsequently, raising the importance of keeping resources under close scrutiny to ensure restricted funds received will be disbursed in the most efficient manner.

The pupil to teacher ratio was 14.2 compared to 17.5 in the previous year.

As a percentage of total resources expended, staff costs for the year were 68% compared to 65% last year.

#### Attendance

During a pandemic-hit year, overall Trust attendance was 91.4% compared to 91.8% in the previous year and 94.5% nationally.

#### Going Concern

The Board of Trustees has considered carefully the Trust's level of reserves at 31 August 2021 and its results for the period then ended. Based on budgets and forecasts prepared by the Trust's management and after making appropriate enquiries, the Board of Trustees' assessment of the principal risks described elsewhere in this report and the capacity of the Trust to make further adjustments to its cost base in the event of adverse changes, the Trustees are satisfied that the Trust has sufficient resources to continue successfully for the foreseeable future. Accordingly, the attached financial statements have been prepared on the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### FINANCIAL REVIEW

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives capital grants which are shown as restricted income in the fixed asset fund in the statement of financial activities. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned. The assets are used exclusively for providing education and the associated support services to the pupils of the Academy.

During the accounting period, recurrent grant funding from DfE and other incoming resources of £2,891,316 was more than total expenditure of £2,685,713. The excess of income over expenditure for the period, before pension adjustments, was £205,603.

The Academy held fund balances at 31 August 2021 of £4,284,550, comprising £4,656,981 restricted fixed asset funds, £117,570 restricted general funds, £172,999 unrestricted general funds and a pension reserve deficit of £663,000. The Trustees consider that reserve levels held are appropriate and shall be utilised in their intended purpose, the precise timing of which has not been determined.

Covid-19 has had limited impact on the main sources of funding, as formulae and entitlement are independent of the pandemic. Income sources that have been affected through restrictions include lettings, trips and events. Additional costs and burden have been incurred as a consequence in areas such as cleaning, resources, staffing and testing provision. In mitigation, additional income amounting to £103,438 has been received from ESFA and local authorities to cover increased expenditure, mass testing and free school meals, the majority of which came from the Government's Covid-19 catch-up premium. These funds have been deployed to areas intended. The Trustees consider that there is no significant additional financial uncertainty in the foreseeable future as a consequence of Covid, due to the level of reserves available.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy's balance sheet shows a net liability of £663,000.

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy Trust because of recognising the deficit.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, manager, budget holders and other staff, as well as delegated authority for spending.

## RIDGEWAY ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

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#### Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's policy is to carry forward a prudent level of resources that are considered sufficient for the Academy's requirements, in this particular case the Trustees have determined a figure of at least £150,000 of free reserves. This level should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

#### Investment Policy

The Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit within short term bank investment accounts, these funds are only placed with providers covered by the Financial Services Compensation Scheme. Day to day management of surplus funds is delegated to the Headteacher and Finance Director within strict guidelines approved by the Board of Trustees.

#### Principal Risks and Uncertainties

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

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

**Financial** - the Academy has considerable reliance on the continued Government funding through ESFA. The majority of the Academy's incoming resources were ultimately Government funded and whilst this is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in the place to mitigate these risks.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest education standards. To mitigate this risk, Trustees ensure that pupil success and achievement 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 Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - a programme of internal scrutiny is in place to carry out checks on the financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**Covid** - impact reviews are undertaken and support sought from a local alliance to identify key risk areas and steps to mitigate them. The main areas covered included safeguarding on-site and virtually, Governing Body support, student assessment and learning catch up.

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

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured that they have adequate insurance cover.

Whilst the Academy is well subscribed, a risk to revenue funding is a falling pupil roll. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. Furthermore, with the Academy now a Secondary School, it has more year groups than previously.

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



## RIDGEWAY ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

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#### Fundraising

Fundraising is very low level and predominantly for supporting the local charities chosen by the students and also to support the School Fund. No Fundraising occurs to supplement the Academy GAG from ESFA. There have been no complaints received in 2020-21. All fundraising involving students is overseen by a responsible staff member and only occurs with parental consent.

#### Streamlined Energy and Carbon Reporting

During the year, the Trust consumed 116,000 kWh of energy, comprising 82,000 kWh of electricity and 34,000 kWh of gas. As the Trust is not large under Companies Act 2006 thresholds, no additional information is required to be disclosed.

#### Plans for Future Periods

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Governance Professional to the Trustees.

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

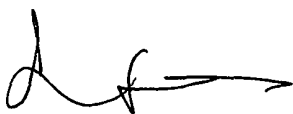
No arrangements or assets are held for safe custody on behalf of others.

#### Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- 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 order of the Board of Trustees, as the company directors, on 15 December 2021 and signed on the Board's behalf by:



Claire Torrington  
[Trustee]

15 December 2021

## RIDGEWAY ACADEMY TRUST

### GOVERNANCE STATEMENT

#### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Ridgeway 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Deputy Headteacher, as Acting 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 Ridgeway 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 7 times during the year. Attendance during the year at meetings of the Board of Trustees, during Trusteeship, was as follows:

Trustee		Meetings attended	Out of a possible
Mrs J Craig	Member and Ex-Chair	2	2
Mrs C Torrington	Chair and Parent Governor	7	7
Mrs N Hunter	Vice Chair and Parent Governor	7	7
Mrs J Breakwell	Member and Governor	2	3
Mr J Worton	Staff Governor	3	3
Mr M Bennett	Headteacher	6	7
Mr M Ball	Deputy Headteacher	6	7
Mr S Woodward	Governor	6	7
Mr J Breeze	Governor	4	5
Mrs K Farrelly	Governor	5	7
Mrs L Allen	Governor	0	4
Miss J Powell	Governor	1	4
Mrs S Lewison-Frisch	Governor	5	6
Mrs J Ashton	Governor	4	6
Mrs J Kinnaird	Governor	6	6
Mr S Preston	Governor	3	4
Mrs D Munford	Governor	6	6
Mr L Ventura	Staff Governor	2	4

Where Covid-19 presented constraints on the reasonable ability to conduct meetings in a face-to-face environment, meetings were held via video link instead. The ability to effectively manage risk and control was not considered to be impaired in this respect. Changes in the composition of the Board of Trustees are set out in the Reference and Administrative Details set out on page 2. The Trust Board considers a range of strategic factors such as risk appraisal, vulnerability, resilience, internal scrutiny programme, challenge and oversight of the Audit & Risk and Business & Finance Committees, and their own effectiveness as a body.

The Audit & Risk Committee is a committee of the main Board of Trustees. The powers and functions delegated by the Board to the Audit & Risk Committee are as set out in the Terms of Reference covering external audit, internal audit, financial management and policies, and health and safety. Attendance at meetings in the year was as follows:

Trustee		Meetings attended	Out of a possible
Mrs N Hunter	Chair	4	4
Mrs J Craig		1	1
Mr M Bennett		2	3
Mr A Hewitt		4	4
Mrs J Ashton		3	3
Mrs J Kinnaird		3	3
Mr S Preston		0	1

#### Review of Value for Money

As Acting Accounting Officer, the Deputy Headteacher has responsibility for ensuring that the Academy 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 Academy 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 or by using a framework where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering the allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.

## RIDGEWAY ACADEMY TRUST

### GOVERNANCE STATEMENT (CONTINUED)

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#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Ridgeway Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Audit & Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investments) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed an external Business Manager to perform a peer review.

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

- Testing of income
- Testing of payroll systems
- Testing of IT systems
- Testing of control account/bank account reconciliations
- Testing of fixed assets
- Testing of compliance
- Testing of governance
- Testing of purchase systems

#### Review of Effectiveness

As Acting Accounting Officer, the Deputy 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 reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool;
- Academies Financial Handbook;
- The work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



Claire Torrington  
[Trustee]



Matthew Ball  
[Acting Accounting Officer]

## RIDGEWAY ACADEMY TRUST

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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As Acting Accounting Officer of Ridgeway Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2020.

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.



Matthew Ball  
[Acting Accounting Officer]

15 December 2021

## RIDGEWAY ACADEMY TRUST

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

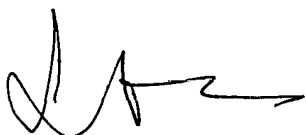
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



.....  
Claire Torrington  
[Trustee]

## **RIDGEWAY ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIDGEWAY ACADEMY TRUST**

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#### **Opinion**

We have audited the financial statements of Ridgeway Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other Information**

The other information comprises the information included in the Trustees annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **Opinions on Other Matters Prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are 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 Academy 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.

## **RIDGEWAY ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIDGEWAY ACADEMY TRUST (CONTINUED)**

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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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation concerning policies and procedures relating to the identification, evaluation and compliance with laws and regulations, whether they were aware of any instances of non-compliance, review for actual and potential litigation and claims, detecting and responding to the risks of fraud, whether they have knowledge of any actual, suspected or alleged fraud, and internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- obtaining an understanding of the legal and regulatory framework that the entity operates in, reviewing laws and regulations that may have a direct effect on the financial statements or are fundamental to the entity's operations;
- discussing among the engagement team those areas that may be susceptible to irregularities, ensuring that we remain vigilant, sceptical, open-minded, inquisitive and alert to any potential indicators of fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations, and susceptibility of the financial statements to material misstatement;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing internal scrutiny reports and minutes of meetings of those charged with governance and management, to review any potential indicators of fraud and non-compliance and management's response to any issues or weaknesses identified;
- assessing and challenging sensitive assumptions and management judgements that form part of significant estimates, looking for indicators of manipulation through management bias; and
- observing any signs of management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether any judgements made in making accounting estimates are indicative of potential bias, and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

## RIDGEWAY ACADEMY TRUST

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RIDGEWAY ACADEMY TRUST (CONTINUED)

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of Our Report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Mills (Senior Statutory Auditor)  
for and on behalf of Mills Pyatt Limited  
Chartered Accountants and Statutory Auditor  
Redditch  
Worcestershire  
B98 8LG  
15 December 2021



## RIDGEWAY ACADEMY TRUST

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RIDGEWAY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 6 December 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ridgeway Academy Trust during the period 1 September 2020 to 31 August 2021 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 Ridgeway Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ridgeway Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ridgeway Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

#### Respective Responsibilities of Ridgeway Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Ridgeway Academy Trust's Funding Agreement with the Secretary of State for Education dated 17 July 2020 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, reviewing for any indication of purchase for personal use by card holders;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the Trust;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Geoffrey Mills (Reporting Accountant)  
Mills Pyatt Limited  
Chartered Accountants and Statutory Auditor  
Redditch  
Worcestershire  
B98 8LG  
15 December 2021

**RIDGEWAY ACADEMY TRUST**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021**

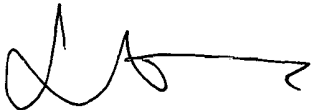
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020/21 £	Total 2019/20 £
<b>Income and endowments from:</b>						
Donations and capital grants:						
Other donations and capital grants	2	-	148	254,443	254,591	10,502
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	2,629,594	-	2,629,594	2,223,616
Other trading activities	4	6,184	914	-	7,098	22,055
Investments	5	33	-	-	33	104
<b>Total</b>		<b>6,217</b>	<b>2,630,656</b>	<b>254,443</b>	<b>2,891,316</b>	<b>2,256,277</b>
<b>Expenditure on:</b>						
Raising funds	6	-	-	-	-	(2,022)
Charitable activities:						
Academy Trust educational operations	7	(9,786)	(2,412,379)	(263,548)	(2,685,713)	(2,816,072)
<b>Total</b>		<b>(9,786)</b>	<b>(2,412,379)</b>	<b>(263,548)</b>	<b>(2,685,713)</b>	<b>(2,818,094)</b>
<b>Net income / (expenditure)</b>		<b>(3,569)</b>	<b>218,277</b>	<b>(9,105)</b>	<b>205,603</b>	<b>(561,817)</b>
<b>Transfers between funds</b>	15	-	(119,170)	119,170	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	15,25	-	(36,000)	-	(36,000)	18,000
<b>Net movement in funds</b>		<b>(3,569)</b>	<b>63,107</b>	<b>110,065</b>	<b>169,603</b>	<b>(543,817)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	176,568	(608,537)	4,546,916	4,114,947	4,610,764
<b>Total funds carried forward</b>	15	<b>172,999</b>	<b>(545,430)</b>	<b>4,656,981</b>	<b>4,284,550</b>	<b>4,066,947</b>

**RIDGEWAY ACADEMY TRUST**
**BALANCE SHEET AS AT 31 AUGUST 2021**
**Company Number: 8284164**

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	11		4,656,981		4,546,916
<b>Current assets</b>					
Debtors	12	186,948		276,900	
Cash at bank and in hand		318,472		208,573	
		<u>505,420</u>		<u>485,473</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<u>(208,273)</u>		<u>(335,225)</u>	
<b>Net current assets</b>			<u>297,147</u>		<u>150,248</u>
<b>Total assets less current liabilities</b>			<u>4,954,128</u>		<u>4,697,164</u>
Creditors: amounts falling due after more than one year	14		<u>(6,578)</u>		<u>(10,217)</u>
<b>Net assets excluding pension liability</b>			<u>4,947,550</u>		<u>4,686,947</u>
Defined benefit pension scheme liability	25		<u>(663,000)</u>		<u>(572,000)</u>
<b>Total net assets</b>			<u>4,284,550</u>		<u>4,114,947</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	4,656,981		4,546,916	
Restricted income fund	15	117,570		(36,537)	
Pension reserve	15	<u>(663,000)</u>		<u>(572,000)</u>	
<b>Total restricted funds</b>			<u>4,111,551</u>		<u>3,938,379</u>
<b>Unrestricted income funds</b>					
General fund	15	<u>172,999</u>		<u>176,568</u>	
<b>Total unrestricted funds</b>			<u>172,999</u>		<u>176,568</u>
<b>Total funds</b>			<u>4,284,550</u>		<u>4,114,947</u>

The financial statements on pages 17 to 32 were approved by the Trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:



Claire Torrington  
[Trustee]

**RIDGEWAY ACADEMY TRUST**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	230,887	(45,664)
<b>Cash flows from investing activities</b>	20	(119,137)	(63,553)
<b>Cash flows from financing activities</b>	21	(1,851)	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>109,899</u>	<u>(109,217)</u>
Cash and cash equivalents at 1 September 2020		208,573	317,790
<b>Cash and cash equivalents at 31 August 2021</b>	22	<u>318,472</u>	<u>208,573</u>

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Accounting Policies

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

#### Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 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 company 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

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

##### • Grants

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

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

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

##### • Donations

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

##### • Other Income

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

##### • Donated Fixed Assets (excluding transfers on conversion/into the Academy Trust)

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

#### 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.

##### • Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

## RIDGEWAY ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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#### 1. Accounting Policies (continued)

##### Tangible Fixed Assets

Assets costing £4,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions acquired to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold land	125 years
Long leasehold buildings	50 years
Property improvements	5 - 25 years
Fixtures and fittings	5 years
Computer equipment	3 years
Motor vehicles	5 years

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.

##### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

##### Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 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 instrument.

##### Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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.

## RIDGEWAY ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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#### 1. Accounting Policies (continued)

##### **Pensions Benefits**

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

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

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

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

##### **Fund Accounting**

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

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

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

##### **Critical Accounting Estimates and Areas of Judgement**

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

##### *Critical Accounting Estimates and Assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying value of the pension liability.

##### *Critical Areas of Judgement*

The Academy makes use of some fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Capital grants	-	235,891	235,891	-
Donated fixed assets	-	18,552	18,552	-
Revenue donations	-	148	148	10,502
	-	254,591	254,591	10,502

### 3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	2,206,522	2,206,522	1,840,545
Pupil Premium	-	106,205	106,205	114,819
High Needs	-	37,446	37,446	86,339
Teachers' pay and pension grants	-	100,772	100,772	104,029
Others	-	52,214	52,214	17,635
	-	2,503,159	2,503,159	2,163,367
<b>Other Government grants</b>				
Local authority grants	-	4,800	4,800	-
Special education projects	-	-	-	10,300
	-	4,800	4,800	10,300
Other income from the Academy Trust's educational operations:				
School trip income	-	18,197	18,197	49,949
<b>Covid-19 Additional Funding (DfE/ESFA)</b>				
Catch up premium	-	65,728	65,728	-
Other DfE/ESFA Covid-19 funding	-	3,150	3,150	-
<b>Covid-19 Additional Funding (non-DfE/ESFA)</b>				
Mass testing funding	-	34,560	34,560	-
	-	2,629,594	2,629,594	2,223,616

The Academy Trust received funding for catch-up premium, mass testing and free school meals. All of these funds were disbursed during the period.

### 4. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Lettings	6,184	-	6,184	22,055
Insurance claims	-	914	914	-
	6,184	914	7,098	22,055

### 5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Bank interest received	33	-	33	104



# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2020/21 £	Total 2019/20 £
Expenditure on raising funds:					
Direct costs	-	-	-	-	2,022
Academy's educational operations:					
Direct costs	1,462,809	394,615	35,555	1,892,979	1,907,386
Allocated support costs	359,574	184,370	248,790	792,734	908,686
	<u>1,822,383</u>	<u>578,985</u>	<u>284,345</u>	<u>2,685,713</u>	<u>2,818,094</u>

### Net income/(expenditure) for the period includes:

	2020/21 £	2019/20 £
Operating lease rentals	55,054	21,196
Depreciation	261,415	251,331
Loss on disposal of fixed assets	2,133	2,022
Fees payable to auditor for:		
audit	8,790	8,800
other services	<u>1,300</u>	<u>1,900</u>

### 7. Charitable Activities

	2020/21 £	2019/20 £
Direct costs - educational operations	1,892,979	1,907,386
Support costs - educational operations	<u>792,734</u>	<u>908,686</u>
	<u>2,685,713</u>	<u>2,816,072</u>

### Analysis of support costs

	Teaching school £	Educational operations £	Total 2020/21 £	Total 2019/20 £
Support staff costs	-	359,574	359,574	428,369
Loss on disposal of tangible fixed assets	-	2,133	2,133	-
Premises costs	-	184,370	184,370	285,455
Legal costs - legal opinion	-	1,725	1,725	-
Other support costs	-	244,932	244,932	194,862
	-	<u>792,734</u>	<u>792,734</u>	<u>908,686</u>

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. Staff

#### a. Staff costs

Staff costs during the period were:

	2020/21 £	2019/20 £
Wages and salaries	1,291,507	1,309,574
Social security costs	122,744	124,318
Pension costs	306,608	304,996
	<u>1,720,859</u>	<u>1,738,888</u>
Agency staff costs	97,529	115,001
	<u>1,818,388</u>	<u>1,853,889</u>

#### b. Staff numbers

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

	2020/21 No.	2019/20 No.
Teachers	25	24
Support staff	20	22
Management	4	5
	<u>49</u>	<u>51</u>

#### c. Higher paid staff

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

	2020/21 No.	2019/20 No.
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

#### d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 2. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £307,038 (2020: £367,609).

### 9. Related Party Transactions - Trustees' Remuneration and Expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits during Trusteeship was as follows:

M Bennett (Headteacher and Trustee):	Remuneration £80,000 - £85,000 (2020: £75,000 - £80,000) Employer's pension contributions paid £19,000 - £20,000 (2020: £15,000 - £20,000)
J. Worton (during Trusteeship period):	Remuneration £20,000 - £25,000 (2020: £35,000 - £40,000) Employer's pension contributions paid £5,000 - £10,000 (2020: £5,000 - £10,000)
J Powell (during Trusteeship period):	Remuneration £20,000 - £25,000 (2020: £nil - £5,000) Employer's pension contributions paid £nil - £5,000 (2020: £nil - £5,000)
L Ventura (during Trusteeship period):	Remuneration £15,000 - £20,000 (2020: £nil - £5,000) Employer's pension contributions paid £nil - £5,000 (2020: £nil - £5,000)

There were no expenses or benefits in kind paid to Trustees during the year ended 31 August 2021 or in the previous year.

There were no directors to whom retirement benefits in defined benefit plans accrued during the year or the previous year.

Other related party transactions involving the Trustees are set out in note 26.

### 10. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance through RPA to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost of this indemnity element is included in the total insurance cost.

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11. Tangible Fixed Assets

	Long Leasehold Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2020	5,547,446	110,318	67,775	17,375	5,742,914
Additions	278,415	62,208	32,990	-	373,613
Disposals	-	-	(6,897)	(12,250)	(19,147)
At 31 August 2021	5,825,861	172,526	93,868	5,125	6,097,380
<b>Depreciation</b>					
At 1 September 2020	1,055,203	66,101	61,769	12,925	1,195,998
Charged in year	221,041	25,777	13,305	1,292	261,415
Disposals	-	-	(6,897)	(10,117)	(17,014)
At 31 August 2021	1,276,244	91,878	68,177	4,100	1,440,399
<b>Net book values</b>					
At 1 September 2020	4,492,243	44,217	6,006	4,450	4,546,916
At 31 August 2021	4,549,617	80,648	25,691	1,025	4,656,981

The Academy Trust's transactions relating to land and buildings included:

- the acquisition of fire improvement works amounting to £249,465; and
- the acquisition of LED lighting upgrades amounting to £28,950.

### 12. Debtors

	2021 £	2020 £
Trade debtors	200	13,990
VAT recoverable	125,963	132,362
Other debtors	-	91,615
Prepayments and accrued income	60,785	38,933
	<b>186,948</b>	<b>276,900</b>

### 13. Creditors: Amounts Falling due within One Year

	2021 £	2020 £
Trade creditors	126,294	245,610
Other taxation and social security	28,486	28,387
Loans	1,788	-
Other creditors	27,295	27,144
Accruals and deferred income	24,410	34,084
	<b>208,273</b>	<b>335,225</b>
Resources deferred in the year	7,014	-
Deferred income at 31 August 2021	<b>7,014</b>	<b>-</b>

At the balance sheet date, the Academy Trust was holding funds received in advance for rates relief funding for the subsequent accounting period. There was no deferred income brought forward.

### 14. Creditors: Amounts Falling due after more than one Year

	2021 £	2020 £
Loans	<b>6,578</b>	<b>10,217</b>

Included within loans is a Condition Improvement Fund (CIF) loan of £35,000 repayable in monthly instalments until Spring 2026 with an applicable interest rate of approximately 2%. No instalments are expected to fall due for repayment after more than 5 years.

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(36,537)	2,206,522	(1,948,102)	(119,170)	102,713
Pupil Premium	-	106,205	(106,205)	-	-
High Needs	-	37,446	(37,446)	-	-
Teachers pay and pension grants	-	100,772	(100,772)	-	-
Catch up premium	-	65,728	(65,728)	-	-
Mass testing funding	-	34,560	(34,560)	-	-
Other Covid-19 funding	-	3,150	(3,150)	-	-
Other grants	-	57,014	(57,014)	-	-
Pension reserve	(572,000)	-	(55,000)	(36,000)	(663,000)
School fund	-	18,197	(3,340)	-	14,857
Other trading activities	-	1,062	(1,062)	-	-
	<b>(608,537)</b>	<b>2,630,656</b>	<b>(2,412,379)</b>	<b>(155,170)</b>	<b>(545,430)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,546,916	-	(238,778)	-	4,308,138
DfE Group capital grants	-	235,891	(8,863)	-	227,028
Capital expenditure from GAG	-	-	(11,866)	119,170	107,304
Donated fixed assets	-	18,552	(4,041)	-	14,511
	<b>4,546,916</b>	<b>254,443</b>	<b>(263,548)</b>	<b>119,170</b>	<b>4,656,981</b>
<b>Total restricted funds</b>	<b>3,938,379</b>	<b>2,885,099</b>	<b>(2,675,927)</b>	<b>(36,000)</b>	<b>4,111,551</b>
<b>Total unrestricted funds</b>	<b>176,568</b>	<b>6,217</b>	<b>(9,786)</b>	<b>-</b>	<b>172,999</b>
<b>Total funds</b>	<b>4,114,947</b>	<b>2,891,316</b>	<b>(2,685,713)</b>	<b>(36,000)</b>	<b>4,284,550</b>

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

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy Trust. During the period, the Academy Trust's GAG income exceeded GAG expenditure. Under the Funding Agreement with the Secretary of State, the Academy Trust is not subject to GAG carried forward limits.

Pupil premium grant income is received from the DfE so that Trust schools can support their disadvantaged pupils and close the attainment gap between them and their peers. All of the income received was fully expensed during the period.

Higher Needs funding, which has been expensed in full during the period, is received from the local authority to fund further support for students with additional needs.

Other grants include Covid-19 support, rates relief, sports, and teachers pay and pension from DfE Group. The income received was fully expensed during the year.

School fund incorporates income and expenditure earmarked for school trips and social events. The balance carried forward includes advance receipts for future events and ringfenced costs for disbursement in the subsequent accounting period.

The restricted Pension reserve represents the deficit on the Academy Trust's share of the respective Local Government Pension Scheme's assets and liabilities as at 31 August 2021.

Restricted fixed asset funds carried forward represent the unamortised cost of the Academy Trust's fixed assets, some of which were acquired by donation or on conversion. Where fixed assets are acquired out of GAG funding, an amount has been transferred between

Unrestricted funds derive from surplus income from lettings to third parties. No conditions are placed on how unrestricted funds carried forward can be utilised.

The Trust is carrying forward a net surplus on restricted general funds (excluding pension reserve) plus unrestricted funds to establish a prudent level of reserves to manage risks and unforeseen costs.

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	318,216	2,012,768	(2,367,521)	-	(36,537)
Pupil Premium	-	114,217	(114,217)	-	-
Higher Needs Funding	-	86,339	(86,339)	-	-
Other grants	-	10,300	(10,300)	-	-
Pension reserve	(590,000)	-	(48,000)	66,000	(572,000)
	(271,784)	2,223,624	(2,626,377)	66,000	(608,537)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,368,395	-	(189,695)	368,216	4,546,916
DfE Group capital grants	183,670	-	-	(183,670)	-
Capital expenditure from GAG	184,546	-	-	(184,546)	-
	4,736,611	-	(189,695)	-	4,546,916
<b>Total restricted funds</b>	<b>4,464,827</b>	<b>2,223,624</b>	<b>(2,816,072)</b>	<b>66,000</b>	<b>3,938,379</b>
<b>Total unrestricted funds</b>	<b>145,937</b>	<b>32,653</b>	<b>(2,022)</b>	<b>-</b>	<b>176,568</b>
<b>Total funds</b>	<b>4,610,764</b>	<b>2,256,277</b>	<b>(2,818,094)</b>	<b>66,000</b>	<b>4,114,947</b>

### 16. Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	4,656,981	4,656,981
Current assets	172,999	332,421	-	505,420
Current liabilities	-	(208,273)	-	(208,273)
Non-current liabilities	-	(6,578)	-	(6,578)
Pension scheme liability	-	(663,000)	-	(663,000)
<b>Total net assets</b>	<b>172,999</b>	<b>(545,430)</b>	<b>4,656,981</b>	<b>4,284,550</b>

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	4,546,916	4,546,916
Current assets	186,785	298,688	-	485,473
Current liabilities	-	(335,225)	-	(335,225)
Non-current liabilities	(10,217)	-	-	(10,217)
Pension scheme liability	-	(572,000)	-	(572,000)
<b>Total net assets</b>	<b>176,568</b>	<b>(608,537)</b>	<b>4,546,916</b>	<b>4,114,947</b>

### 17. Capital Commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	-	281,551

The amounts contracted for were in relation to fire improvement works, which were completed during this financial year. Condition Improvement Fund grants amounting to £225,208 were awarded and received in contribution towards the project.

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 18. Long-term Commitments Including Operating Leases

#### Operating Leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	54,350	21,195
Amounts due between one and five years	13,659	72,286
	<u>68,009</u>	<u>93,481</u>

#### Other Contractual Commitments

The Academy Trust has entered into various revenue contracts, such as IT support and broadband, under which the following minimum payments are due, exclusive of VAT, to be settled by the restricted general fund:

	2021 £	2020 £
Amounts due within one year	40,971	-
Amounts due between one and five years	2,459	-
	<u>43,430</u>	<u>-</u>

There are no pension commitments other than to settle the final month's payroll pension contributions in the subsequent month amounting to £28,856 (2020: £27,161).

### 19. Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities

	2020/21 £	2019/20 £
Net income/(expenditure) for the year (as per the statement of financial activities)	205,603	(561,817)
Adjusted for:		
Depreciation (note 11)	261,415	251,331
Loss on disposal of fixed assets	2,133	2,022
Capital grants from DfE and other capital income (note 2)	(254,443)	-
Interest receivable (note 5)	(33)	(104)
Defined benefit pension scheme cost less contributions payable (note 25)	45,000	38,000
Defined benefit pension scheme finance cost (note 25)	10,000	10,000
Decrease in debtors	89,952	23,610
Increase/(Decrease) in creditors	(128,740)	191,294
Net cash provided by/(used in) operating activities	<u>230,887</u>	<u>(45,664)</u>

### 20. Cash Flows from Investing Activities

	2020/21 £	2019/20 £
Interest receivable	33	104
Receipts from disposal of tangible fixed assets	-	3,172
Purchase of tangible fixed assets	(373,613)	(64,807)
Sale of intangible fixed assets	-	(2,022)
Capital grants from DfE Group	235,891	-
Capital funding received from sponsors and others	18,552	-
Net cash used in investing activities	<u>(119,137)</u>	<u>(63,553)</u>

### 21. Cash Flows from Financing Activities

	2020/21 £	2019/20 £
Repayments of borrowing	(1,851)	-
Net cash used in financing activities	<u>(1,851)</u>	<u>-</u>

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 22. Analysis of Cash and Cash Equivalents

	2021 £	2020 £
Cash in hand and at bank	318,472	208,573
<b>Total cash and cash equivalents</b>	<b>318,472</b>	<b>208,573</b>

### 23. Analysis of Changes in Net Debt

	At 1 September 2020 £	Cash flows	At 31 August 2021 £
Cash	208,573	109,899	318,472
Loans falling due within one year	-	(1,788)	(1,788)
Loans falling due after more than one year	(10,217)	3,639	(6,578)
<b>Total</b>	<b>198,356</b>	<b>111,750</b>	<b>310,105</b>

### 24. Members Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

### 25. Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £27,602 were payable to the schemes at 31 August 2021 (2020: £27,144) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment:

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £222,237 (2020: £213,477).

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

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

# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 25. Pension and Similar Obligations (continued)

#### Local Government Pension Scheme - Worcestershire Pension Fund

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £61,000 (2020: £69,000), of which employer's contributions totalled £46,000 (2020: £54,000) and employees' contributions totalled £15,000 (2020: £15,000). The agreed contribution rates for future years are 16% for employers and between 5.5% and 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 an academy trust 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

	2021	2020
Rate of increase in salaries	4.3%	3.8%
Rate of increase for pensions in payment	2.9%	2.4%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.8%	2.3%

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

	2021	2020
<b>Retiring today</b>		
Males	22.7	22.6
Females	25.1	25.0
<b>Retiring in 20 years</b>		
Males	24.4	24.2
Females	27.1	27.0

#### Sensitivity analysis

	2021 £'000	2020 £'000
Real discount rate -0.1%	39	32
Salary increase rate +0.1%	4	4
Pension increase rate +0.1%	39	32
Mortality assumption 1 year increase	57	42

The Academy Trust's share of the assets in the scheme were:

	2021 £'000	2020 £'000
Equities	921	582
Government bonds	-	59
Other bonds	1	47
Property	49	48
Cash and other liquid assets	28	37
Other	109	110
<b>Total market value of assets</b>	<b>1,108</b>	<b>883</b>

The actual return on scheme assets was £168,000 (2020: £14,000).

#### Amount recognised in the Statement of Financial Activities

	2020/21 £'000	2019/20 £'000
Current service cost	(90)	(91)
Interest income	16	16
Interest cost	(26)	(26)
Administration expenses	(1)	(1)
<b>Total amount recognised in the SOFA</b>	<b>(101)</b>	<b>(102)</b>



# RIDGEWAY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 25. Pension and Similar Obligations (continued)

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

	2020/21 £'000	2019/20 £'000
At 1 September	1,455	1,433
Current service cost	90	91
Interest cost	26	26
Employee contributions	15	15
Actuarial loss/(gain)	187	(99)
Benefits/transfers paid	(2)	(11)
At 31 August	<u>1,771</u>	<u>1,455</u>

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

	2020/21 £'000	2019/20 £'000
At 1 September	883	843
Interest income	16	16
Actuarial gain/(loss)	151	(33)
Employer contributions	46	54
Employee contributions	15	15
Benefits/transfers paid	(2)	(11)
Administration expenses	(1)	(1)
At 31 August	<u>1,108</u>	<u>883</u>

### 26. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

No related party transactions took place in the current or previous financial year and no unpaid balances exist at the balance sheet date.