

Ridgeway Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018



Company Registration Number:
08104201 (England and Wales)

Period of account: 1 September 2017 – 31 August 2018

Ridgeway Education Trust

Contents

Item	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	18
Statement on Regularity, Propriety and Compliance	24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report on the Financial Statements	26
Independent Reporting Accountant's Assurance Report on Regularity	29
Statement of Financial Activities including Income & Expenditure Account	31
Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements, incorporating:	34
Statement of Accounting Policies	
Other Notes to the Financial Statements	

Ridgeway Education Trust

Reference and Administrative Details

Members	Ian Barnes	
	Chris Campbell	(resigned 02/10/2018)
	Phil Davies	
	Marcus Gover	
	John Naughton	(resigned 30/11/2018)
	Richard Hadland	(resigned 03/12/2018)
	Stephen White	

Trustees	Marcus Gover +	Chairperson
	Chris Campbell *	Parent
	Ruth Elliot +	Co-opted
	Richard Hadland +	Parent
	Andrew Harrison	Co-opted
	Jill Judson +	Member-appointed
	Andrew Kaye *	Member-appointed
	John Marston *	Member-appointed. Headteacher of St Birinus School (resigned 25/07/2018)
	Rachael Warwick *	Executive Headteacher & Accounting Officer
	Stephen White *	Co-opted

** member of the Trust Finance and General Purposes Committee during the operating period*

+ member of the Trust Audit Committee during the operating period

Company Secretary	Frances Adley (resigned 1/11/2017)
	Katie Paxton-Doggett (appointed 1/11/2017, resigned 25/05/2018)
	Sophy Parkin-Haig (appointed 4/06/2018)

Ridgeway Education Trust
Reference and Administrative Details (continued)

Senior Trust Management – Executive Leadership

Rachael Warwick: Executive Headteacher, Ridgeway Education Trust
Headteacher Didcot Girls' School (until 31 August 2018)
John Marston: Headteacher, St Birinus School
Tom Goodenough: Head of School, Didcot Girls' School (with effect from 1 September 2017)
Headteacher, Didcot Girls' School (with effect from 1 September 2018)
Paul Willett: Director of Didcot Sixth Form
Chris Powell: Director of Finance and Services

In addition to the above each school has its own senior leadership team led by its Headteacher.

Company Name	Ridgeway Education Trust
Principal and Registered Office	Didcot Girls' School Manor Crescent Didcot Oxfordshire OX11 7AJ
Company Registration Number	08104201 (England and Wales)
Independent Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Lloyds Bank Plc Market Place Didcot Oxfordshire OX11 7LQ
Solicitors	Blake Morgan Seacourt Tower West Way Oxford OX2 OFB

Ridgeway Education Trust

Trustees' Report

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

The Ridgeway Education Trust operates two secondary schools and a joint sixth form for pupils aged 11 to 18. Didcot Girls' School has a registered pupil capacity of 1,542. It had a roll, including pupils in the sixth form, of 1,313 on the school census when this was taken on 17 May 2018 (1,282 in May 2017). St Birinus School has a registered pupil capacity of 1,575. It had a roll, including pupils in the sixth form, of 903 on the school census in May 2018 (984 in May 2017).

Structure, Governance and Management

Constitution

The 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 Trust. The Trustees of Ridgeway Education Trust are also the directors of the charitable company for the purposes of company law.

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 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the Trust purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

Method of Recruitment and Appointment or Election of Trustees

The members of the Trust are responsible for the appointment of Trustees/Directors, except for parent Trustees/Directors who are appointed through an election process by the Local Governing Bodies. In the event that these positions are not filled, the Trustees/Directors of the Trust are able to appoint to these positions. The Trust currently has no staff Trustees other than the Executive Headteacher of the Trust. The Trust periodically reviews its combined skill set and addresses any gaps through recruitment and training.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust has maintained its membership of the National Governors Association, which includes access to the Professional Development provision and Learning Link e-learning services and has made use of Oxfordshire County Council's Safer Recruiting courses for training Trustees/Directors and governors. In addition, the most recently appointed Company Secretary attended a Company Secretarial and Clerking course for Academies and Multi-Academy Trusts in June 2018 as part of her induction and continuous professional development.

Ridgeway Education Trust

Trustees' Report (continued)

During the year the Trust's Governance Officer and Company Secretary continued to centralise support to the Trust Board, its Committees and the Local Governing Bodies, improving communication and monitoring consistent policies and procedures across the Trust schools whilst ensuring they do not detract from the distinctive ethos of each school.

During the year, the Trust reviewed its governance structures and now has a Curriculum and Standards Committee operating to consistent terms of reference at both of its schools. In addition, it carried out a Trustee skills audit in the summer of 2018. It identified that the Trust already has strong experience and skill in areas such as organisational leadership, financial management, health and safety, IT and HR as well as secondary school educationalist specialists. The skills audit review will be used as a guide to identify areas for development and integration of additional skills as the Trust grows. The Trust already commissions independent expert advice as needed when it feels it needs to supplement its skills or it is looking for an independent view or perspective.

The Company Secretary, with input from Trustees, has reviewed and put in place a new induction process which will be used for all new Trustee and Governor appointments.

Organisational Structure

The management structure that operated in 2017/18 was as follows:

- The Trust Board
- The Trust Finance & General Purposes Committee
- The Trust Audit Committee
- The Pay Committee
- A Local Governing Body for each school along with their own committee structure
- A Joint Sixth Form Committee
- A Senior Leadership Team for each school

The Trust Board is responsible for defining the overall vision and strategic direction for the Trust for the year to 31st August 2018. It has in place a scheme of delegation that sets out delegations made to its Local Governing Bodies and the Trust's own Finance and General Purposes and Audit Committees throughout the academic year. The scheme of delegation is revised and updated at least annually and a copy is available on the websites of each of the Trust's schools. The most recent scheme was approved on 9th October 2018. Recent resignations of Members has been in order to move towards a position where there is a significant separation between individuals who are Members and those who are Trustees and in preparation for Trust expansion. This is in the light of the Department for Education also making it clear that it has a strong preference for the majority of members to be independent from the Board of Trustees.

The Executive Headteacher of the Ridgeway Education Trust is an ex-officio Trustee and the nominated Accounting Officer. The Headteacher of St Birinus School was also a Trustee until 25th July 2018. He resigned in the light of Education and Skills Funding Agency Academies Handbook latest guidance which indicates a strong preference for no employee to serve as a Trustee other than a Trust's senior executive leader. With effect from 1st September 2017 the Executive Headteacher role was reshaped to help ensure high standards for all young people across the Trust schools. With effect from that date the day-to-day running of Didcot Girls' School became the responsibility of a new Head of School, who was appointed substantive Headteacher with effect from 1st September 2018. Both Headteachers are supported by school senior leadership teams, have direct operational and leadership responsibility for the schools and implement the strategies and policies set by the Trustees and are accountable to them. As designated Accounting Officer, the Executive Headteacher is accountable ultimately to Parliament for propriety, regularity and value for money.

The Trustees and staff are privileged to enjoy the support of the Trust's many stakeholders and members of the community, many of whom provide their time on a voluntary basis, across many activities which are of great benefit to the Trust.

Ridgeway Education Trust

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has adopted Oxfordshire County Council's model pay policy for teachers. The policy sets out the basis on which all teachers' (including key management personnel) remuneration is decided. Pay decisions are made by the Trust, which has delegated certain responsibilities and decision-making powers to its Pay Committee. The Trust Board is responsible for the establishment and review of the pay policy. It establishes a Pay Committee which is specifically responsible for:

- taking decisions regarding the pay of the Deputy and Assistant Headteacher(s) and classroom teachers following consideration of the recommendations of pay reviewers and the advice of the Headteacher;
- taking decisions regarding the pay of the Executive Leaders following completion of his/her performance reviews; with independent external advice as required
- submitting reports of these decisions to the Trust; and
- ensuring that the Executive Leaders are informed of the outcomes of the decision of the Pay Committee and the right of appeal;
- ensuring that the pay and grading of support staff is within the agreed framework of grades determined through the job evaluation scheme.

For new senior management appointments, the Trust will determine the pay range for a vacancy prior to advertising it. On appointment it will determine the starting salary within that range to be offered to the successful candidate. In making such determinations, the relevant body may take into account factors including the nature of the post; the level of qualifications, skills and experience required; market conditions, and; the wider school context.

When determining the salary of a new Headteacher, the Trust will take into account all of the permanent responsibilities of the role, any challenges that are specific to the role, and all other relevant considerations, including any recruitment or retention issues. The remuneration for a new Headteacher will normally be set at a level to ensure that there is appropriate scope to allow for performance-related progress over time.

All decisions about pay progression for teachers are linked to performance, with specific reference to the teachers' appraisal reports and the pay recommendations they contain. Assessment of performance is made through the appraisal process and includes assessment of performance against the Teachers' Standards (and/or other relevant standards) and appraisal objectives. Teachers are eligible for standard pay progression if they are assessed as meeting the Teachers' Standards (and/or other relevant standards) as well as their appraisal objectives.

To achieve progression, teachers on the leadership pay range are required to demonstrate sustained high quality performance with particular regard to leadership, management and pupil progress at the school and will be subject to a review of performance against the Teachers' Standards (and/or other relevant standards) and appraisal objectives before any performance points will be awarded. If achieved, the Trust will consider whether to award one or two pay progression points.

Ridgeway Education Trust
Trustees' Report (continued)

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Four	0.07

Percentage of time spent on facility time

Percentage of time	Number of employees
0% to 1%	-
1% to 50%	Four
51% to 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£2.4k
Total paybill	£9,451k
Percentage of the total paybill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
---	---

The Trust subscribes to the Trade Union Facilities Scheme which is operated by Oxfordshire County Council

Related Parties and other Connected Charities and Organisations

The Trust has strong collaborative links with many other schools, in particular its partner primary schools which form the DAP (Didcot Area Partnership).

For further details of related parties and transactions during the year see notes 12 and 28 to the accounts. There are no sponsors associated with the Trust.

Objectives and Activities

Objects and Aims

The principal object and activity of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum for students of different abilities.

The particular aims of the Trust during the year under review were:

- to continue to raise the standard of educational attainment and achievement of all students;
- to maximise the attainment and progress of all students at both KS4 and post-16;
- to continue to deliver excellence in single-sex education;
- to continue to provide a broad and balanced curriculum, including extra-curricular and enrichment activities;
- to develop students as effective and independent learners;
- to further develop in-house personalised training programmes for staff;
- to develop the school site to support students to achieve their full potential;
- to ensure that every student enjoys the same high quality of education in terms of resourcing, teaching and care;
- to continue to improve the effectiveness of the schools through continual review of the curriculum and organisational structure;
- to achieve value for money for the funds expended;
- to build on the strong, collaborative relationship between the schools in the Trust;
- to deliver strong governance, pro-active strategic planning and financial control through the Trust Board and scheme of delegation;
- to comply with all applicable statutory and curriculum requirements; and,
- to develop the schools' capacity to manage change, and to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

Key objectives, performance indicators and action points are contained within the Trust Development Plan and are informed by the significant challenges and opportunities arising from national developments in education policy and funding, as well as more local matters. The targets set for the Trust, and overseen by the Trust Board, comprised:

- exploring possible opportunities to grow the Trust in line with the Trustees' vision to deliver excellent educational outcomes for young people in Didcot and the surrounding areas;
- establishing Teaching School status to grow Didcot Girls' School as an outstanding school which plays its role in the self-improving school system as a system leader and for St Birinus School to be a strategic partner in the Teaching School Alliance;
- raising standards of achievement for both Didcot Girls' School and St Birinus School as well as the Didcot Sixth Form;
- improving teaching and learning so that progress over time is at least good in all lessons;
- focussing on high quality written assessment and the embedding of literacy and oracy across the curriculum;
- ensuring that behaviour reflects the school's values and shared "commitment to excellence" with improving behaviour for learning, whole school attendance and student participation in leadership activities;
- delivering high levels of support and accountability in a collaborative leadership model, and;
- ensuring a sustainable financial position for the trust through the establishment of shared services, improving efficiency whilst improving value for money and achieving cost-savings.

Ridgeway Education Trust

Trustees' Report (continued)

Each of the objectives is underpinned by detailed targets, plans, activities and success criteria and supported, in turn, by individual school and sixth form development plans. Progress against the Trust Development Plan was monitored by the Trust Board at each of its meetings throughout the course of the academic year.

Public Benefit

The Trustees confirm that they have complied with their duty under Section 17(5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

As its schools are non-selective and state-funded, Ridgeway Education Trust's work is to the public benefit. The Trust offers a broad and balanced curriculum and a wealth of extra-curricular and enrichment activities to all its students of all abilities and from varied socio-economic backgrounds. Each of the Trust schools publishes its admissions policy on its website which set out the basis on which pupils are admitted. The Trust also has regard to Charity Commission guidance on public benefit beyond the core provision of education to its students, and endeavours to be at the heart of its community and fosters many collaborative links with community and other stakeholder groups.

The Trust also allows use of its 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 that community.

Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunity in all areas of its activities including creating a school environment in which the contribution and needs of all people are fully valued. The Trust looks to ensure that all staff receive the same opportunities for training, development and promotion with no regard to any irrelevant status distinctions. It sets out its commitment to giving full and proper consideration to the needs of disabled employees, pupils and visitors in its health and safety handbook.

Employee Consultation and Engagement

The Trustees encourage staff contributions at all levels and close collaboration of staff working at its schools to share best practice. Staff are represented on the Local Governing Bodies of its schools. Schools hold regular meetings and briefings where all staff are invited. New staff are fully inducted and teachers take part in training before the start of and during the school year. Both schools periodically carry out staff surveys in order to help assess staff wellbeing and have introduced a number of initiatives in order to help address any concerns and ensure the schools are a positive and healthy place to work.

Strategic Report

Achievements and Performance

The principal benefits envisaged when St Birinus School joined with Didcot Girls' School within the multi-academy trust (MAT) in September 2015 were seen as being educational excellence, improved value for money and wider opportunities for partnership. Delivering these benefits through the MAT has proved effective and they are now embedded as an intrinsic part of how it operates.

- **Educational Excellence.** The Trust schools work in close partnership, sharing their respective strengths to deliver high quality single-sex education to boys and girls in Didcot and the surrounding community. Since coming together Didcot Girls' School has become an Outstanding rated school by Ofsted and St Birinus School has been assessed by Ofsted as remaining a Good school. Mutual support aimed at improving outcomes for students has been strong, resulting in high levels of achievement by our students.
- **Improved Value for Money.** Faced with ongoing education funding pressures, increasing costs and competition from new schools, the need to source shared services and drive economies of scale has been of great importance to the Trust. Joining together in the MAT model has enabled the schools to improve efficiency and effectiveness to support long-term financial sustainability. Since the MAT has been created it has delivered significant improvements in value for money by sharing support services, consolidating contracts and purchasing, sharing specialist expertise and through strengthened governance, management capacity and financial scrutiny and challenge.
- **Wider Opportunities for Partnership.** The Trust is part of the Didcot Area Partnership (DAP), which is an informal partnership of secondary and primary schools and a nursery school in Didcot and the surrounding area. Within the MAT structure both our schools are able to provide a consistent and coherent approach to learning and education for pupils joining us from schools within the DAP. With Didcot Girls' School being awarded Teaching School status just before the start of the 2017/18 academic year it has been possible to use this as a vehicle to drive excellent school-to-school support, continuous professional development and to promote teacher training in local schools and the wider education sector. The Teaching School creates an excellent opportunity for staff development as staff become involved in outward facing work to share best practice and raise educational standards, which in turn supports recruitment and retention of high quality staff.

Key Performance Indicators

Didcot Girls' School

Didcot Girls' School is rated by Ofsted as an Outstanding school. This rating was given following an Ofsted inspection in November 2015. In its report, Ofsted recognised the extremely high standards and aspirational ethos which characterise the school and which have driven the excellence in teaching and learning and superb student outcomes over a consistent period. The school has sought to continually improve on those very high standards, resulting in exceptional and improving outcomes in each of the last five years.

Ridgeway Education Trust

Trustees' Report (continued)

GCSE results in summer 2018 were the best ever, despite the ongoing turbulence and reform of specifications introduced during the last two years. The school achieved a performance 8 progress measure score of 0.69 in 2017/18 (0.37 in 2016/17). This measure summarises the amount of progress students make from the end of primary school until they complete their GCSEs (or equivalents) in Year 11. This is the fifth year running that the school compares very favourably with other schools nationally, placing the school in the top 3% of schools for this progress measure and placing it in the top two highest performing comprehensive schools in Oxfordshire. Other key performance indicators:

Of the 190 students who entered exams:

- 65% of students gained a grade 5 or above in English and Maths (51% in 2017)
- 80% of students gained grade 4 or above in English and Maths (74% in 2017)
- 90% of students gained a grade 4 or above in English (88% in 2017)
- 80% of students gained a grade 4 or above in Maths (75% in 2017)
- 41% of students gained a grade 7, 8 or 9 in English (32% in 2017) and 36% did so in Maths (32% in 2017)
- 38% of all entries were grades 7 to 9 or A*-A grades (28% in 2017)
- 99% of students gained 5 passes (97% in 2017)
- 41% of 51% eligible students achieved the English Baccalaureate (20% of 23% in 2017)

St Birinus School

St Birinus School is rated by Ofsted as a Good school. This rating was given following an Ofsted inspection in March 2016. In its report Ofsted recognised that standards in many subjects are above the national average for boys, especially for English and Mathematics, pupils are safe and well cared for, teachers effectively challenge pupils to do their best and that the leadership are passionate and ambitious to improve the school rapidly so it becomes Outstanding in its terms and those of Ofsted.

In 2018 students at St Birinus School achieved an excellent set of examinations results at Key Stage 4. The school achieved a Progress 8 score of 0.25 (-0.21 in 2016/17) which places it in the 'above average' category, within the top 30% of all schools nationally and the top 5% for boys' progress. This represents a significant improvement on the 2017 results. The measure summarises the amount of progress students make from the end of primary school until they complete their GCSEs (or equivalents) in Year 11. Other key performance indicators:

Of the 137 students who entered exams:

- 50% of students gained a grade 5 or above in English and Maths (35% in 2017)
- 69% of students gained grade 4 or above in English and Maths (61% in 2017)
- 75% of students gained a grade 4 or above in English (68% in 2017)
- 74% of students gained a grade 4 or above in Maths (73% in 2017)
- 24% of students gained a grade 7, 8 or 9 in English (12% in 2017) and 25% did so in Maths (15% in 2017)
- 23% of all entries were grades 7 to 9 or A*-A grades (9% in 2017)
- 95% of students gained 5 passes (97% in 2017)
- 59% of 23% eligible students achieved the English Baccalaureate (57% of 20% in 2017)

Ridgeway Education Trust

Trustees' Report (continued)

Didcot Sixth Form

Students at Didcot Sixth Form achieved very good A-level results again in summer 2018. At the highest grades, one in four of all exam entries achieved grades A* or A and half of all exam entries achieved A*-B. 68% of all students achieved at least one A*-B grade and 80% of all entries were graded A*-C.

In summary, for the 129 students that completed their A Level studies this year:

- 8% of all entries gained A* grades (6% in 2017)
- 25% of all entries gained A*-A grades (24% in 2017)
- 49% of all entries gained A*-B grades (51% in 2017)
- 80% of all entries gained A*-C grades (72% in 2017)
- 100% of all entries gained A*-E grades (97% in 2017)

Financial key performance indicators

Although the Trust's funding agreement is not subject to a specific carry forward limit on the amount of General Annual Grant (GAG) funding, a key financial performance indicator is the level of reserves held at the balance sheet date including the amount of GAG funding carried forward at the balance sheet date. At 31 August 2018, the Trust had utilised all of its GAG funding but held other revenue restricted and unrestricted reserves amounting to £774k in total, of which just £23k was restricted.

As the majority of the Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. Pupil numbers at the May 2018 census were 1,313 at Didcot Girls' School (up 2.4% from 1,282 the prior year) and 903 at St Birinus School (down 8.2% from 984 the prior year).

Staffing costs are another key performance indicator for the Trust and the percentage of teaching, support staff and agency pay related costs to GAG funding for the period was 89.4% (2016/17: 90.1%), while the percentage of these staff costs to total costs was 79.0% (2016/17: 78.0%).

Premises and Health and Safety Matters

The Trust is committed to ensuring its school sites are safe and secure for the benefit of its students, staff and visitors. Every year each school is subject to an annual, independent health and safety inspection which is reported to the Trust Finance and General Purposes Committee, which oversees implementation of the findings. Health and Safety Committees are also established at both schools. Gate security arrangements are in place at both schools as a contribution to safeguarding and both fire evacuation and lockdown drills are carried out to ensure all staff and students are routinely familiar with these arrangements should any incidents occur.

Investment in our premises is important to the Trust in ensuring staff and students have both a safe and suitable school environment in which to work. During the final weeks of 2017/18 a significant refurbishment of the St Birinus School site commenced. This has included a substantial programme of painting, decorating and carpeting as well as introducing new graphics and artwork in communal areas such as the hall and walkways. This has been continued into the early weeks of 2018/19 with investment in improved toilets and also classroom facilities in readiness for the joint sixth form being based primarily at St Birinus School from September 2019. During 2017/18 the school experienced an arson attack at its leased Hagbourne Triangle site which resulted in a garage block being burned down. After consideration, and with the agreement of Oxfordshire County Council (the lessor) and our insurers (the government Risk Protection Arrangement), the Trust decided not to rebuild the garage but to demolish it and make good. In doing so it agreed a cash settlement that could be used to reinvest in the school premises with a much more direct beneficial effect for the school's students.

Ridgeway Education Trust

Trustees' Report (continued)

At Didcot Girls' School investment was also made during the summer of 2018, notably in equipping a new science laboratory and refurbishing toilets in its Cockcroft building as well as the site team carrying out an ongoing programme of painting and decorating. The school was also successful with a Condition Improvement Fund (CIF) grant bid to the Department for Education (DfE) for fire safety enhancements and this substantial investment will be carried out in 2018/19.

Employee matters

The success of the Trust is reliant on the quality of its staff so the Trust Board monitors and reviews policies and procedures to ensure the continued development and training of staff as well as ensuring there is clear succession planning. The Trust recognises that continuing professional development plays a key role in the work of its schools and plays a significant role in recruiting and retaining high calibre staff.

During the year, the Trust schools were strategic partner schools with the Oxfordshire Teaching Schools Alliance ('OTSA') which was established during 2012/13. With effect from September 2017 Didcot Girls' School was awarded Teaching School status and this has enabled it to take a lead in driving excellent school-to-school support, continuous professional development and to promote teacher training in local schools and the wider education environment whilst also remaining a strategic partner within OTSA.

Going Concern

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

Financial Review

Most of the Trust's income is obtained from the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted to particular purposes. The grants received from the ESFA during the financial year ending 31 August 2018 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset Fund is reduced by annual depreciation charges over the expected useful life of the assets acquired using these funds.

During the financial year ending 31 August 2018 the excess of income over expenditure for the period was £209k, when excluding the movements on the Pension Reserve and the Restricted Fixed Asset Fund. This resulted in the Trust holding a total of £774k revenue reserves at 31 August 2018. The movement and year-end revenue reserves were made up of:

- An in-year surplus of £126k for Didcot Girls' School, including £1k for the Teaching School, which resulted in the school holding total year-end revenue reserves of £221k
- An in-year surplus of £96k for St Birinus School, which resulted in the school holding total year-end revenue reserves of £516k
- An in-year deficit of £13k on the Central Trust, which resulted in the Central Trust holding year-end revenue reserves of £37k

Ridgeway Education Trust

Trustees' Report (continued)

A proportion of the excess of income over expenditure generated was a result of timing differences for specific transactions across the 2017/18 and 2018/19 financial years. These included committed premises project expenditure slipping into 2018/19 and the cash settlement from the Hagbourne Triangle fire incident being secured and accounted for earlier than we had budgeted. The Trust has since approved net expenditure budget changes amounting to £126k in 2018/19 as a result of these timing changes which, coupled with previously approved small annual deficit budgets for its schools, will result in a planned reduction in overall reserves held by the Trust by 31 August 2019. The Trust overall financial resilience has however been strengthened as a result of its financial outcomes in 2017/18 and this will be of benefit in order to help manage the financial challenges faced by the Trust specifically, and the wider education sector, in the medium term. The Trust will continue to address these financial pressures whilst at the same time seeking to maximise the resources available for teaching and learning and in keeping the site safe and secure for its students.

At 31 August 2018 the net book value of fixed assets was £28,353k and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust schools and for community use.

The balance of total funds held as at 31 August 2018 was £25,630k which comprised the following:

Restricted Pension Liability Fund	£(4,150k)
Restricted Fixed Asset Fund	£29,006k of which £586k related to Condition Improvement Fund (CIF) net grant money available to Didcot Girls' School for fire safety project works planned in 2018/19 and £67k to devolved formula capital funding held as at 31 August. The balance of £28,353k related to the undepreciated value of the trust capital assets.
Restricted General Funds	£23k of which £17k related to MAT growth funding not yet applied, £1k to the Teacher Training School and £5k to other restricted grants
Unrestricted Funds	£751k

In accordance with FRS102, the Trust received an actuarial assessment of its pension scheme deficit and the deficit balance included within the Balance Sheet as at 31 August 2018 is in accordance with this assessment.

Reserves Policy

Having sufficient reserves is an essential part of the Trust capacity to handle financial risks. It gives the Trust and its schools sufficient resilience to both deal with emergency situations such as systems failures or unexpected cash flow difficulties as well as provide it with a buffer to deal with restructuring of school budgets to ensure it is not faced with the prospect of going into a deficit reserve position, which would result in ESFA intervention.

The Trust reviews the impact of its in-year budget position and medium term forecasts on its accessible reserves on an ongoing basis as a part of its financial planning processes. Reserves for each school are managed separately with oversight from the Trust Board and its Finance and General Purposes Committee. Both Didcot Girls' School and St Birinus School have differing financial challenges. Didcot Girls' School has been operating with relatively low levels of reserves and is looking to increase these over time in order to ensure it has stronger financial resilience to manage its risks. As reported in the financial review, Didcot Girls' School increased its reserves held from £95k as at 31 August 2017 to £221k as at 31 August 2018. The increase in 2017/18 was partially a result of slippage of expenditure however and the revised budget approved for 2018/19 will result in reserves reducing to a planned £158k by the end of 2018/19. St Birinus School has historically had much more healthy levels of revenue reserves but these had been reducing over a number of years prior to the Trust taking action to address an underlying deficit. The school's financial position was stabilised during 2016/17 and sustained again in 2017/18 despite reducing student numbers. St Birinus School increased its reserves from £420k as at 31 August 2017 to £516k as at 31 August 2018.

Ridgeway Education Trust

Trustees' Report (continued)

Similarly to Didcot Girls' School however, revisions to the 2018/19 budget have been made as a result of timing differences in anticipated expenditure and income and the revised budget approved for 2018/19 will result in reserves reducing to a planned £446k as at 31 August 2019. The Trust does not routinely hold any central reserves, preferring to simply recover its costs in full by a fair and transparent process from both of its schools. At the end of 2017/18 it did however hold a balance of £17k MAT growth fund grant and its £20k unused legal services costs budget which it intends to utilise in full as a part of development plans in 2018/19.

The Trust reviews its formal reserves policy at least annually in order to ensure it is content that it has sufficient overall reserves in order to manage its risks. At its meeting on 28 February 2018 the Trust Board, in reviewing its policy, reaffirmed its position of wanting to hold a level of reserves of £500k across its two schools. It considers this to be a prudent and suitable level of reserves and its medium term financial planning is undertaken in the light of this.

The value of the Trust's share of the Local Government Pension Scheme deficit exceeds the value of its unrestricted funds. The LGPS deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

The Trust has a treasury management policy that it reviews at least annually. The primary considerations for the policy are the security of Trust funds and their liquidity, i.e. ensuring that sufficient funds are available to meet its forecasted cash flow needs. Once those matters have been taken into account the yields (rate of return) available will be considered. The Trust safeguards its assets by holding them in low-risk categories, principally interest-bearing accounts with UK banks. During 2017/18 the Trust earned £4k interest as a result of making short to medium term deposits and had deposits amounting to £750k invested with Lloyds Bank as at 31 August 2018.

Principal Risks and Uncertainties

The Trust has an approved risk management strategy in place, with risks being managed by senior Trust and school staff and regular review and updating of risk registers both for the individual schools and the Trust overall throughout the year. Risk registers are reviewed regularly by the Trust Audit Committee and at least annually by the Trust Board and its Local Governing Bodies. Risks recorded include the following:

Presence of Other Schools/Organisations Results in Reductions in Pupil Numbers Recruited

A University Technical College (UTC) opened in Didcot in September 2015 and a new mixed secondary school (Aureus School) opened in September 2017 to position the town to meet demand for school spaces that will follow substantial new housing development. It is difficult to accurately forecast the number of school age children who will become resident in these new residential areas, but there is currently excess secondary education capacity overall in Didcot and this is expected to be the case for some years to come. The Trust schools have had to manage the risk of losing students to the new schools with a corresponding drop in funding. The evidence to date is that St Birinus School has been adversely affected by the opening of the new schools although the impact on Didcot Girls' School has not been material and the school continues to grow and attract many more students from outside of catchment area as a result of its outstanding reputation.

The Trust continues to work hard to ensure its schools achieve very high standards of academic achievement; that it markets itself well to attract students from Didcot and further afield; and that it works in partnership with local schools to enable a smooth transition from local primaries to the Trust schools to reduce the impact of new competitors. Student numbers are monitored regularly to ensure that future budgeting for expenditure is aligned with forecast income.

Ridgeway Education Trust

Trustees' Report (continued)

The Outstanding and Good Ofsted ratings achieved by Didcot Girls' School and St Birinus School coupled with a set of excellent exam results in 2018, have positioned the Trust well in maintaining and building on their current reputations. The continuing success of the Trust and its schools depends on maintaining the highest educational standards in order to continue to attract students in sufficient numbers and Trustees are clearly focused on monitoring and reviewing the achievement and success of students.

Trustees also continue to give consideration to other aspects of its school's activities where there could be reputational risk, including discipline, safeguarding and health and safety. Trustees are aware that reputation is extremely important as it faces increased competition in the town.

Financial Sustainability

The Trust has considerable reliance on Government funding through the ESFA. In 2017/18 approximately 91% of its schools' incoming resources were government or local authority funding, highlighting the importance of the government financial settlements and the schools retaining healthy student numbers. The Trust continues to operate in a period of considerable financial uncertainty with regard to public funding and financial planning is focused on maintaining the breadth and quality of future work in the context of the need to generate ongoing efficiency savings.

The Trust activities expose it to some cash flow risk which it monitors to ensure that it has sufficient funds to meet debts as they fall due. This is assisted however by the Trust schools being advised of its recurrent GAG (General Annual Grant) funding a few months before the start of each financial/academic year and by GAG being received monthly in advance of the school processing its staff monthly payroll, which is an aid to cash flow management.

The Trust has a continuing, rigorous and ongoing focus on the financial position of its schools and has implemented some significant saving plans during recent years to address its financial challenges. These include, but are not limited to, delivering efficiency savings through ongoing review of teaching and leadership staffing needs, centralising finance, governance and IT support services as well as restructuring in premises and educational support staffing. Savings in non-pay costs have also been delivered in areas such as utility, catering, reprographics and cleaning contracts.

The Trust has strong governance arrangements around its financial management with both separate Finance and General Purposes and Audit Committees scrutinising information. In addition, the Trust commissioned independent audit reviews during the year to review the effectiveness of the internal controls that have been in operation.

Local Government Pension Scheme Deficit

The Trust Board acknowledges the defined benefit pension scheme deficit which is set out in Note 27 to the annual accounts. Prior to academy conversion the Trustees were advised that there are no circumstances in which a Trust would be called upon to meet the pension deficit in a single transaction. Since conversion, at the request of the Secretary of State for Education, Parliament has agreed that, in the event of an academy closing, outstanding pension scheme liabilities would be met by the DfE. This guarantee came into force on 18th July 2013.

Ridgeway Education Trust

Trustees' Report (continued)

Data Security and Information Management

The new General Data Protection Regulations (GDPR) came into effect in May 2018. As a result it is increasingly important for the Trust and its schools to manage data well and in accordance with legislation. A number of improvements have been put in place as a result of the need to address the requirements of the regulations. They include, but are not limited to, the appointment of an external Data Protection Officer, the provision of training and guidance for staff and putting in place a new data protection policy which sets out the processes that should be followed in the event of a data breach. During 2018/19 a compliance health check will also be undertaken in order to assess progress and identify areas where further improvements could be made. The Trust also appointed a new external IT support partner in 2017/18, which is reviewing information management and IT security in order to assist the Trust develop its IT strategy and prioritise its investment in 2018/19.

Teacher Recruitment and Retention

Recruiting and retaining high quality teachers has become more challenging as there is increasingly a national recruitment shortage of teachers, which is more difficult in expensive counties such as Oxfordshire. Recruitment and succession planning is integral to school planning and the Trust Headteachers take a personal lead in the recruitment and selection of all teachers. The creation of the MAT in September 2015 opened up more career opportunities for staff and the Trust schools place an important focus on personal development and welfare of staff. The Trust is aware that the risk of recruiting and retaining excellent teachers is heightened at a time of uncertainty for some staff as a result of the challenging financial climate in which the schools now operate but recruitment for the 2018/19 academic year was successful with strong appointments at both Trust schools.

Failures in Governance and/or Management

The risk in this area arises from the potential failure to effectively manage each school's finances, educational performance, internal controls, compliance with regulations and legislation etc. Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Health and Safety

The Trustees look to ensure that the importance of health and safety of students, staff and visitors is considered a top priority in its schools. Health and safety policies and procedures are in place with independent reviews and support from specialist external advisors. Budget decisions are made by the Trust, for instance in investment in the school property, in order to ensure the site condition is fit for purpose. Both Trust schools have health and safety committees in place and the Trust Finance and General Purposes Committee has oversight of arrangements. It ensures health and safety is always a primary factor in its decision making, including when determining the priority areas for which it wishes to submit bids to the DfE in respect of Condition Improvement Fund (CIF) grant money.

Safeguarding and Child Protection Risks

The Trustees look to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in each school and in training and support, in order to protect the vulnerable young people in its care.

MAT Growth

The Trust vision is to build a cross-phase community MAT for secondary and primary schools to provide excellent education for children and young people in Didcot and the surrounding area. The Trust believes that being geographically close helps to expedite swift school improvement as it moves staffing capacity around the Trust to meet the changing needs of each school. The Trust is nevertheless open minded and will explore all possibilities of growth as a local MAT and centre of educational excellence. The Trust is aware of risks as well as benefits that growth can bring and its most immediate focus is to deliver a successful conversion and transfer for Sutton Courtenay Primary School with a target date to complete a conversion and transfer on 1 April 2019. A joint working group has been established to oversee the project progress. A detailed working project plan is in place which identifies key legal, governance and operational matters associated with the transition.

Ridgeway Education Trust

Trustees' Report (continued)

Fundraising

The Trust does not make use of commercial or professional fundraisers. On occasions it seeks donations directly from parents and external parties for purchase of specific supplies of services that benefit the Trust schools and its students.

The Friends of Didcot Girls' School and St Birinus School Parent Teacher Association operate independently and make donations to the schools periodically for specific agreed purposes.

Our schools do hold non uniform days during the year in order to raise money for charities.

Plans for Future Periods

The Trust will continue in future periods to strive to meet its key objectives and has ambitious aspirations and targets for: student outcomes; the use and development of its estate; and closer, more formal collaborative links with schools across the age range in the local area through the development of the multi-academy trust. Strong governance and leadership; pro-active strategic planning, sound financial management, and continuing staff development will be key aspects of the Trust's continuing success.

Funds Held as Custodian Trustee on Behalf of Others

The Trust holds no Assets and Funds as Custodian Trustee 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; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 11 December 2018 and signed on the Trust Board's behalf by:



Marcus Gover
Chair of the Trust Board of Directors

Ridgeway Education Trust

Governance Statement

Scope of Responsibility

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

The Trust Board has delegated responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Ridgeway Education Trust and the Secretary of State for Education. The Executive Headteacher likewise delegates day-to-day responsibilities to the Headteacher of St Birinus School, to the Head of School at Didcot Girls' School (who was appointed substantive Headteacher with effect from September 2018) and to the Trust Director of Finance and Services. They are also responsible for reporting to the Trust Board 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.

Board of Trustees

The Trust Board has formally met five times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Name	Meetings attended	Out of a possible
Chris Campbell	4	5
Ruth Elliot	5	5
Marcus Gover	4	5
Richard Hadland	5	5
Andrew Harrison	2	5
Jill Judson	2	5
Andrew Kaye	5	5
John Marston	4	5
Rachael Warwick	4	5
Stephen White	5	5

Members also had an open invitation to attend Board meetings throughout the year. Changes to the Trust Board that occurred during 2017/18 are recorded in the Reference and Administrative Details on page 1.

The Trust Board focuses particularly on the strategic issues that affect the Trust. Primarily it seeks to ensure that high quality education provision is available to all its pupils and that academic achievement remains at the highest level. In the light of new schools opening in the town the Board has been keen to ensure that its own schools market themselves and their achievements well to students from Didcot and the surrounding areas. As well as the development of the multi-academy trust, partnership working with schools within the Didcot Area Partnership (DAP) remains an important priority for the Board. The Board, through its Finance and General Purposes Committee, has also been particularly focused on ensuring the Trust has a sustainable financial position upon which to build by overseeing the successful implementation of a number of efficiency saving projects.

Ridgeway Education Trust

Governance Statement (continued)

The Trust Board approved an important change to its senior leadership model for the start of the 2017/18 academic year with the Executive Headteacher and Accounting Officer role being reconstructed to take a more rounded leadership role for both of the Trust schools as well as its support functions, the Didcot Girls' School teaching school and leading on the multi academy trust development plans. This resulted in her relinquishing more day-to-day responsibility for Didcot Girls' School to a new Head of School role and more evenly spreading her leadership time between Didcot Girls' School and St Birinus School. The Head of School at Didcot Girls' School was appointed to the post of Headteacher with effect from 1st September 2018.

With effect from 4 June 2018 the Trust appointed a new Company Secretary. In light of the Trust plans to expand, a Trustee skills audit was undertaken in the summer of 2018 to improve effectiveness and identify skills gaps. A restructured policy review programme and induction process for Trustees and governors was also implemented over the summer.

Governance Reviews

The Trust carried out a thorough review of its governance arrangements when it merged with St Birinus School in September 2015 and has undertaken ongoing reviews and refinements since that date. Notably, early in 2016/17 it refined its model of governance further with a single Trust Finance and General Purposes Committee overseeing finance, IT, premises and health and safety matters on behalf of both the Trust itself and its schools. During the 2017/18 academic year this committee had an important role overseeing the development of joint working and delivery of savings across the Trust schools as well as approving the Trust finance manual and considering the reserves and treasury management policies and annual report and accounts before they are presented to the Trust Board for approval. The committee also took an important role in scrutinising key health and safety matters for the Trust and premises investment plans. The Finance and General Purposes Committee met six times and attendance was as follows:

Name	Meetings attended	Out of a possible
Conor Byrne (1)	3	6
Chris Campbell	4	6
Andrew Kaye	4	6
John Marston	5	6
Rachael Warwick	6	6
Stephen White	5	6

(1) Conor Byrne is not a trustee but a school governor. He has been appointed by the Committee as an additional member in accordance with the Committee terms of reference.

In addition, whilst not a formal member of the Committee, Mrs Ruth Elliot attended five meetings.

The Trust Audit Committee met three times and attendance was as follows:

Name	Trust Audit Attended	Trust Audit Total
Ruth Elliot	3	3
Marcus Gover	0	3
Richard Hadland	3	3
Jill Judson	2	3

Ridgeway Education Trust

Governance Statement (continued)

During 2017/18 the Audit Committee considered reports and recommendations from both the trust's external auditors and from its appointed internal auditors, Whitley Stimpson, as a party of its internal assurance review arrangements. It tracked progress in implementation of the recommendations made. In addition, the Audit Committee has scrutinised the risk registers of the Trust and its schools, considered the changes made in the ESFA academies financial handbook and has self-assessed its own effectiveness.

Local Governing Body

Each school within the multi academy trust establishes its own Local Governing Body (LGB) and sub committees. For the period under review, both Didcot Girls' School LGB and St Birinus School LGB met four times.

During the period under review, the Didcot Girls School had a Curriculum and Standards Committee which met four times and St Birinus School had a Standards and Quality Assurance Committee and a Personal Development, Behaviour and Attendance Committee which met four times and one time respectively. The work of the Personal Development, Behaviour and Attendance Committee was taken on directly by the LGB part way through the year and reported on by the Headteacher. In reviewing its governance arrangements, the Trust Board established standardised terms of reference for a Curriculum and Standards Committee for both of its LGBs for the start of the 2018/19 academic year, and the previous committee structure that existed at St Birinus School was disbanded and consolidated into this single committee. The Trust Board also updated the terms of reference for its school LGBs for 2018/19.

The Trust control frameworks and governance structures have been subject to continual review and refinement during the course of the year, which has included a review of its scheme of delegation and finance manual in October 2017. It is committed to reviewing these key financial documents at least annually and both documents were reviewed and updated once more in October 2018 in preparation for the growth of the Trust which is expected in 2018/19.

Review of Value for Money

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

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

Maximising Resources available for Teaching and Learning

Through its Finance and General Purposes Committee the Trust has overseen a rolling programme of efficiency reviews throughout 2017/18 in order to maximise resources available for high quality teaching and learning whilst delivering efficient and effective support services. Both Didcot Girls' School and St Birinus School were able to strengthen their end of year reserves position as a result with overall Trust reserves increasing from £565k to £774k during the year. The Trust Board has approved net expenditure carry forward budget adjustments in 2018/19 in reviewing its year-end outturn which amount to £126k but, even after accounting for this and year-on-year real terms grant funding reductions from central government, the Trust has achieved its strongest ever year-end reserves position. This has been achieved at the same time as delivering outstanding educational outcomes for its students and managing the impact of a falling student roll at St Birinus School. As well as savings delivered through reviews to teaching staff and the school senior leadership structures, efficiency savings have been generated in external contracts, such as for IT support, reprographics and cleaning, and in further development of the shared services models referred to below.

Ridgeway Education Trust

Governance Statement (continued)

Developing Trust Shared Services & Leadership Expertise

The Trust consolidated its shared support services model in 2017/18 with this being the first full academic year that it operated with single accountable lead posts in place for finance, premises, IT, catering and governance, costs of which are all charged to a central Trust budget. As a result, the Trust is better placed to build on this support services model to support its development plans, with Trust expansion expected in 2018/19. During 2017/18 the Trust also progressed more sharing of teaching and leadership expertise across its schools, which has been embedded further in 2018/19. Notably, a senior leader was seconded from Didcot Girls' School to St Birinus School to strengthen the impact of its leadership team, as well as support being given in areas such as science, psychology and design and marketing at different times during the year. In addition, the Didcot Girls' School Deputy Headteacher (Standards and Culture) has spent increased time working across our two secondary schools and is helping the Headteacher to make a marked improvement in raising standards and expectations at St Birinus School. This strategic use of senior leaders across the Trust has been sustained in 2018/19.

Re-structure of St Birinus School Senior Leadership Team

The size of the Senior Leadership Team at St Birinus School was too large in relation to the number of students in the school and because of the falling roll triggered by the arrival of additional education providers in Didcot. The process of reviewing the structure of the team was undertaken during the year which led to a voluntary severance and another member of the SLT choosing to step into an existing alternative role outside the Senior Leadership Team. The ongoing savings as a result of the restructure, after one-off change costs that were incurred in 2017/18, will amount to around £71k per annum. These have contributed to the school continuing to ensure it has a sustainable budget. The support of the Deputy Headteacher from Didcot Girls' School, referred to above, will help develop capacity and expertise within the school Senior Leadership Team in the short term and for the future. The re-structure outcome has resulted in a smaller and more effective Senior Leadership Team being put in place in time for the start of the 2018/19 academic year.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ridgeway Education Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is periodically reviewed by the Trust Board with regular review of the Trust risk registers being undertaken by the Trust Audit Committee.

The Risk and Control Framework

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

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

The Trust Board has considered the need for specific internal audit function and decided to appoint Whitley Stimpson to undertake internal assurance reviews and report back on their findings.

The reviewer's role includes performing a range of checks on the Trust's financial systems and reporting to the Trust Audit Committee and the Trust Finance and General Purposes Committee meetings on findings. In particular the checks carried out in the current period included:

- testing of purchasing and payments
- testing of HR and payroll
- testing of banking and cash management
- testing of income collection

The Trust can confirm that Whitley Stimpson have delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action. Where recommendations for control improvements have been made, an action plan has been produced against which progress is monitored by the Audit Committee. The Chair of the Audit Committee reports back to the Trust Board in presenting the minutes of Audit Committee meetings. During 2018/19, in the light of the 2018 Education and Skills Funding Agency Academies Financial Handbook, all internal assurance review reports will be routinely circulated to all Trustees rather than just to Audit Committee.

The programme of internal audit works carried out is agreed in advance by the Trust Audit Committee.

Review of Effectiveness

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the Board of Trustees on 11 December 2018 and signed on its behalf by:



Marcus Gover
Chair of the Trust Board of Directors



Rachael Warwick
Accounting Officer

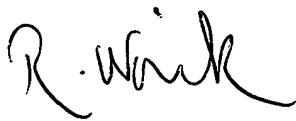
Ridgeway Education Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Ridgeway Education Trust, I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that the Trustees and I are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



Rachael Warwick
Accounting Officer

11 December 2018

Ridgeway Education Trust

Statement of Trustees' Responsibilities

The Trustees (who are also 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 Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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:

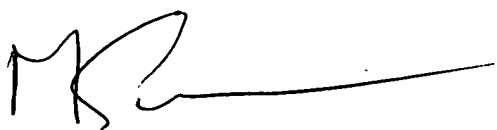
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Trustees on 11 December 2018 and signed on its behalf by:



Marcus Gover
Chair of the Trust Board of Directors

Ridgeway Education Trust

Independent Auditor's Report to the members of Ridgeway Education Trust

Opinion on financial statements

We have audited the financial statements of Ridgeway Education Trust ('the academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Ridgeway Education Trust

Independent Auditor's Report to the members of Ridgeway Education Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Statement of Trustees Responsibilities (set out on page 25), 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

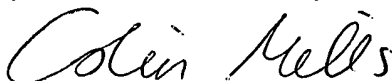
Ridgeway Education Trust

Independent Auditor's Report to the members of Ridgeway Education Trust (continued)

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 academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Colin Mills (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford



Date: 19 December 2018

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

Ridgeway Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Ridgeway Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Ridgeway Education Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of Ridgeway Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ridgeway Education Trust's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Ridgeway Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Ridgeway Education Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to Ridgeway Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ridgeway Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ridgeway Education Trust and the ESFA, for our review work, for this report, or for the conclusion we have formed.

Critchleys Audit LLP

Critchleys Audit LLP
Reporting Accountant
Oxford

Date: *19 December 2018*

Ridgeway Education Trust
Statement of Financial Activities
For the year ended 31 August 2018
(including Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	2	3	5	663	671	67
Charitable activities						
Funding for the academy trust's educational operations	3	-	11,271	-	11,271	11,137
Other income for educational operations	5	957	-	-	957	968
Teaching school	4,30	-	64	-	64	-
Other trading activities	6	37	-	-	37	39
Investments	7	4	-	-	4	3
Total		1,001	11,340	663	13,004	12,214
Expenditure on:						
Charitable activities						
Academy trust educational operations	8	957	11,701	1,059	13,717	13,769
Teaching school	8,30	-	63	-	63	-
Total		957	11,764	1,059	13,780	13,769
Net income / (expenditure) before transfers		44	(424)	(396)	(776)	(1,555)
Transfers between funds	17	203	(203)	-	-	-
Net income / (expenditure) for the period		247	(627)	(396)	(776)	(1,555)
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,27	-	1,396	-	1,396	1,462
Net movement in funds		247	769	(396)	620	(93)
Reconciliation of Funds						
Funds brought forward at 1 September 2017		504	(4,896)	29,402	25,010	25,103
Funds carried forward at 31 August 2018		751	(4,127)	29,006	25,630	25,010

All of the Academy's activities derive from continuing operations and transfers in the current accounting period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Ridgeway Education Trust
Balance sheet
As at 31 August 2018

Company number:
08104201

	Note	2018		2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		28,353		29,382
Current assets					
Debtors	15	592		347	
Cash at bank and in hand		<u>1,688</u>		<u>1,132</u>	
		2,280		1,479	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(853)</u>		<u>(894)</u>	
Net current assets			<u>1,427</u>		<u>585</u>
Total assets less current liabilities			29,780		29,967
Net assets excluding pension liability			<u>29,780</u>		<u>29,967</u>
Defined benefit pension scheme liability	27		<u>(4,150)</u>		<u>(4,957)</u>
Total net assets			<u>25,630</u>		<u>25,010</u>
Funds of the academy trust:					
Restricted fixed asset funds	17		29,006		29,402
Restricted funds					
Restricted funds excluding pension liability	17	23		61	
Pension reserve	17	<u>(4,150)</u>		<u>(4,957)</u>	
			(4,127)		(4,896)
Total restricted funds			<u>24,879</u>		<u>24,506</u>
Unrestricted funds	17		751		504
Total funds			<u>25,630</u>		<u>25,010</u>

The financial statements on pages 31 to 58 were approved by the trustees and authorised for issue on 11 December 2018 and are signed on their behalf by



Marcus Gover
Chair of the Trust Board of Directors

Ridgeway Education Trust
Statement of Cash Flows
For the year ended 31 August 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(81)	64
Cash flows from investing activities	23	637	-
Cash flows from financing activities	22	-	-
Change in cash and cash equivalents in the reporting period		<u>556</u>	<u>64</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2017		1,132	1,068
Cash and cash equivalents at 31 August 2018	24	<u><u>1,688</u></u>	<u><u>1,132</u></u>

All of the cash flows are derived from continuing operations and transfers in the current accounting period.

1 Statement of Accounting Policies

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

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 UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ridgeway Education Trust meets the definition of a public benefit entity under FRS 102.

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 goods, facilities and services

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

1 Statement of Accounting Policies (continued)

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.

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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:

Leasehold land	122 years
Leasehold buildings	25-30 years from conversion
Leasehold improvements	10-30 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years
ICT software	3 years
Motor Vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Cash

Cash at bank and in hand includes cash held in notice deposits of less than 12 months which can be accessed at short notice if required. The amount held in notice deposits can be seen in note 24.

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised

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 costs as detailed in note 15. 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 note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1 Statement of Accounting Policies (continued)

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.

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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other 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.

1 Statement of Accounting Policies (continued)

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 estimate 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 27).

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA capital grants				
ESFA capital project funding	-	615	615	4
Devolved formula capital grant	-	48	48	48
Other Government grants				
Local Authority capital funding	-	-	-	-
	<u>-</u>	<u>663</u>	<u>663</u>	<u>52</u>
Other donations	3	5	8	15
	<u>3</u>	<u>668</u>	<u>671</u>	<u>67</u>

The income from donations and capital grants was £671k (2017: £67k) of which £3k was unrestricted (2017: £14k), £5k restricted (2017: £1k) and £663k restricted fixed assets (2017: £52k).

3 Funding for Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	10,720	10,720	10,541
Other DfE Group grants	-	432	432	477
	<u>-</u>	<u>11,152</u>	<u>11,152</u>	<u>11,018</u>
Other Government grants				
Other grants	-	-	-	-
Local Authority revenue funding	-	119	119	119
	<u>-</u>	<u>119</u>	<u>119</u>	<u>119</u>
	<u>-</u>	<u>11,271</u>	<u>11,271</u>	<u>11,137</u>

The funding for the academy's educational operations was £11,271k (2017: £11,137k) of which £Nil was unrestricted (2017: £Nil), £11,271k restricted (2017: £11,137k) and £Nil restricted fixed assets (2017: £Nil).

4 Teaching School Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
National College Grants	-	60	60	-
Fundraising and other trading activities	-	4	4	-
	<u>-</u>	<u>64</u>	<u>64</u>	<u>-</u>

The teaching school income was £64k (2017: £Nil) of which £Nil was unrestricted (2017: £Nil), £64k restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

Ridgeway Education Trust
Notes to the financial statements
For the year ended 31 August 2018

5 Other income for educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Trip and activity income	255	-	255	391
Catering income	427	-	427	407
Other educational income	275	-	275	170
	<u>957</u>	<u>-</u>	<u>957</u>	<u>968</u>

The other income for educational operations was £957k (2017: £968k) of which £957k was unrestricted (2017: £968k), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

6 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	37	-	37	39
	<u>37</u>	<u>-</u>	<u>37</u>	<u>39</u>

The other trading activities income was £37k (2017: £39k) of which £37k was unrestricted (2017: £39k), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

7 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	4	-	4	3
	<u>4</u>	<u>-</u>	<u>4</u>	<u>3</u>

The investment income was £4k (2017: £3k) of which £4k was unrestricted (2017: £3k), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

8 Expenditure

	Staff Costs £'000	Non Pay Expenditure Premises Costs £'000	Other Costs £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
Direct costs (note 9)	7,952	-	939	8,891	8,843
Allocated support costs (note 9)	2,180	837	1,809	4,826	4,926
	<u>10,132</u>	<u>837</u>	<u>2,748</u>	<u>13,717</u>	<u>13,769</u>
Teaching School	61	-	2	63	-
	<u>10,193</u>	<u>837</u>	<u>2,750</u>	<u>13,780</u>	<u>13,769</u>

The expenditure on academy's educational operations was £13,717k (2017: £13,769k) of which £957k was unrestricted (2017: £968k), £11,701k restricted (2017: £11,698k) and £1,059k restricted fixed assets (2017: £1,103k).

The teaching school expenditure was £63k (2017: £Nil) of which £Nil was unrestricted (2017: £Nil), £63k restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

The 2017 allocated support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

Net income/(expenditure) for the period includes:

	2018 £'000	2017 £'000
Operating lease rentals	37	17
Depreciation	1,059	1,103
Fees payable to auditor for:		
Audit	12	11
Other services	5	6

9 Charitable Activities - Academy's educational operations

	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	8,891	8,843
Direct costs - teaching school	57	-
Support costs - educational operations	4,826	4,926
Support costs - teaching school	6	-
	<u>13,780</u>	<u>13,769</u>

Analysis of support costs

	Educational operations £'000	Total 2018 £'000	Total 2017 £'000
Support staff costs	1,591	1,591	1,721
Depreciation	1,059	1,059	1,103
Technology costs	206	206	297
Premises costs	837	837	738
Other support costs	485	485	527
Governance costs	59	59	48
Other pension costs	454	454	352
Other finance costs (FRS102 pension)	135	135	140
Total support costs	<u>4,826</u>	<u>4,826</u>	<u>4,926</u>

The 2017 support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

10 Staff Costs

	2018 £'000	2017 £'000
Staff costs during the period were:		
Wages and salaries	7,489	7,448
Social security costs	711	702
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,251	1,213
FRS102 Other pension and finance costs	589	492
Apprenticeship levy	22	9
	<u>10,062</u>	<u>9,864</u>
Agency supply teacher costs	75	105
Staff restructuring costs	56	34
	<u>10,193</u>	<u>10,003</u>
 Staff restructuring costs comprise:		
Redundancy payments	-	18
Severance payments	56	16
Other restructuring costs	-	-
	<u>56</u>	<u>34</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56k (2017: £16k). Individually, the payments were: £5k, £6k, and £45k made on (30 June, 31 July, and 30 September 2018; the latter has been accrued at the year-end of 31 August 2018).

The 2017 staff costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

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

	2018 No.	2017 No.
Teachers	144	147
Administration and support	161	147
Management	17	14
	<u>322</u>	<u>308</u>

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

	2018 No.	2017 No.
Teachers	117	121
Administration and support	89	88
Management	15	13
	<u>221</u>	<u>222</u>

The number of employees whose annualised emoluments fell within the following bands was:

	2018 No.	2017 No.
£60,001 - £70,000	1	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £503k (2017: £496k).

11 Central services

Since the St Birinus School joined the academy trust in September 2015 the central service provision has been developed year on year. During 2017/18 key costs and income accounted for as central services have included those relating to the:

Executive Headteacher (3 days a week. The other 2 days of the Executives Headteacher's time have been met directly by the trust academy schools during 2017/18)

Director of Sixth Form and the sixth form administrator

Director of Finance & Services

Financial Services Lead and the central finance staff

Head of Operations

Senior Catering Manager

ICT support staff and primary IT central support contracts

Central supplies and services including accounting, audit, legal fees and banking costs as well as specialist external bought in professional services such as those associated with developing our IT strategy, data protection and independent educational leadership expertise.

Interest earned on bank deposits is credited to the academy trust as it operates a single bank account, and are then netted off charges made to the academy trust schools.

For 2017/18 the academy trust apportioned its costs based on agreed General Annual Grant.

The actual amounts charged during the period were as follows:

	2018 £'000	2017 £'000
Didcot Girls' School	424	310
St Birinus	347	284
	<u>771</u>	<u>594</u>

Total costs have risen in 2017/18 mainly as a result of the full year effect of operating a number of the central services.

12 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 head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment.

	2018 £'000	2017 £'000
R Warwick, Executive Headteacher, Headteacher (Didcot Girls' School) and Trustee		
Remuneration	£110k-£115k	£105k-£110k
Employer's pension contributions	£15k-£20k	£15k-£20k
J Marston, Headteacher (St. Birinus School) and Trustee (appointed 18 September 2015 resigned as Trustee 23 July 2018)		
Remuneration	£70k-£75k	£70k-£75k
Employer's pension contributions	£10k-£15k	£10k-£15k

During the period ended 31 August 2018, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2017: £Nil).

13 Trustees and officers insurance

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

The cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
As at 1 September 2017	34,094	215	392	49	34,750
Additions	28	-	2	-	30
As at 31 August 2018	34,122	215	394	49	34,780
Depreciation					
As at 1 September 2017	4,778	170	371	49	5,368
Charges in period	1,026	22	11	-	1,059
As at 31 August 2018	5,804	192	382	49	6,427
Net book values					
As at 31 August 2018	28,318	23	12	-	28,353
As at 1 September 2017	29,316	45	21	-	29,382

Leasehold land and buildings

The Academy Trust holds long leases over the land and buildings at each school. In determining valuations for the leasehold property, the Trustees have referred to the valuations arranged by the ESFA which were carried out on a desktop depreciated replacement cost basis. The freehold of these land and buildings is owned by the respective Local Authorities. These are recognised in the accounts as the academy trust has the right to use the property.

Additions to buildings

Additions in the year represent capital works to existing buildings.

Ridgeway Education Trust
Notes to the financial statements
For the year ended 31 August 2018

15 Debtors

	2018 £'000	2017 £'000
Trade debtors	29	24
VAT recoverable	27	71
Prepayments and accrued income	536	252
	<u>592</u>	<u>347</u>

16 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	179	267
Other taxation and social security	179	183
Other creditors	200	190
Salix Loan	-	9
Accruals and deferred income	295	245
	<u>853</u>	<u>894</u>

Deferred income

	2018 £'000	2017 £'000
Deferred income at 1 September 2017	88	104
Released from previous years	(88)	(104)
Resources deferred in the period	98	88
Deferred income at 31 August 2018	<u>98</u>	<u>88</u>

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

Ridgeway Education Trust
Notes to the financial statements
For the year ended 31 August 2018

17 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	10,720	(10,517)	(203)	-
Pupil Premium funding	-	331	(331)	-	-
Other DfE funding	-	101	(101)	-	-
MAT Growth funding	50	-	(33)	-	17
Local Authority funding	-	119	(119)	-	-
Other restricted funds	11	5	(11)	-	5
Teaching School (note 30)	-	64	(63)	-	1
Pension reserve (note 27)	(4,957)	-	(589)	1,396	(4,150)
	<u>(4,896)</u>	<u>11,340</u>	<u>(11,764)</u>	<u>1,193</u>	<u>(4,127)</u>
Restricted fixed asset funds					
Devolved formula capital	20	48	-	(1)	67
Condition Improvement Fund	-	615	-	(29)	586
Fixed asset fund (note 14)	29,382	-	(1,059)	30	28,353
	<u>29,402</u>	<u>663</u>	<u>(1,059)</u>	<u>-</u>	<u>29,006</u>
Total restricted funds	<u>24,506</u>	<u>12,003</u>	<u>(12,823)</u>	<u>1,193</u>	<u>24,879</u>
Unrestricted funds					
Unrestricted funds	504	1,001	(957)	203	751
Total unrestricted funds	<u>504</u>	<u>1,001</u>	<u>(957)</u>	<u>203</u>	<u>751</u>
Total funds	<u>25,010</u>	<u>13,004</u>	<u>(13,780)</u>	<u>1,396</u>	<u>25,630</u>

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2018. Over the prior two years, transfers were made from the unrestricted reserves in order to cover shortfalls in General Annual Grant (GAG) funding. A reversal has therefore been allocated from GAG to the unrestricted funds in the year ended 31 August 2018.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Other DfE funding represents other forms of funding received from the Department for Education. This includes but is not limited to Rates Relief Income.

MAT Growth Funding comprises grants received for the specific purpose of investing in the growth potential of the existing multi-academy trust.

Local Authority Revenue funding represents various grant funding provided by Local Authorities.

Other restricted funds represent amounts given to the academy trust for specific revenue purposes.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

The Condition Improvement Fund represents funding provided by the Department for Education to be used for specific capital projects.

The Fixed Asset fund recognises the net book value of tangible and fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Revenue reserves		
Didcot Girls' School	221	95
St Birinus	516	420
Central services	37	50
Total before capital, fixed assets and pension reserve	774	565
Capital reserves	653	20
Fixed asset fund (representing net book value of fixed assets - note 14)	28,353	29,382
Pension reserve	(4,150)	(4,957)
Total funds	25,630	25,010

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation) £	Total 2018 £	Total 2017 £
Didcot Girls' School	4,634	662	572	793	6,661	6,461
St Birinus	3,207	410	311	753	4,681	5,118
Central services	166	525	4	95	790	594
	8,007	1,597	887	1,641	12,132	12,173
				Depreciation	1,059	1,103
				Other finance costs and pension costs	589	492
				Note 8	13,780	13,768

Ridgeway Education Trust
Notes to the financial statements
For the year ended 31 August 2018

17 Funds (continued)

Comparative Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	10,541	(10,658)	117	-
Pupil Premium funding	-	325	(325)	-	-
Other DfE funding	-	102	(102)	-	-
MAT Growth funding	-	50	-	-	50
Local Authority funding	-	119	(119)	-	-
Other restricted funds	12	1	(2)	-	11
Teaching School (note 30)					
Pension reserve (note 27)	(5,927)	-	(492)	1,462	(4,957)
	<u>(5,915)</u>	<u>11,138</u>	<u>(11,698)</u>	<u>1,579</u>	<u>(4,896)</u>
Restricted fixed asset funds					
Devolved formula capital	39	48	-	(67)	20
Condition Improvement Fund	-	4	-	(4)	-
Fixed asset fund (note 14)	30,430	-	(1,103)	55	29,382
	<u>30,469</u>	<u>52</u>	<u>(1,103)</u>	<u>(16)</u>	<u>29,402</u>
Total restricted funds	<u>24,554</u>	<u>11,190</u>	<u>(12,801)</u>	<u>1,563</u>	<u>24,506</u>
Unrestricted funds					
Unrestricted funds	549	1,024	(968)	(101)	504
Total unrestricted funds	<u>549</u>	<u>1,024</u>	<u>(968)</u>	<u>(101)</u>	<u>504</u>
Total funds	<u>25,103</u>	<u>12,214</u>	<u>(13,769)</u>	<u>1,462</u>	<u>25,010</u>

The Comparative Funds Pension Reserve figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	21,261	(21,175)	(86)	-
Pupil Premium funding	-	656	(656)	-	-
Other DfE funding	-	203	(203)	-	-
MAT Growth funding	-	50	(33)	-	17
Local Authority funding	-	238	(238)	-	-
Other restricted funds	12	6	(13)	-	5
Teaching School (note 30)	-	64	(63)	-	1
Pension reserve (note 27)	(5,927)	-	(1,081)	2,858	(4,150)
	<u>(5,915)</u>	<u>22,478</u>	<u>(23,462)</u>	<u>2,772</u>	<u>(4,127)</u>
Restricted fixed asset funds					
Devolved formula capital	39	96	-	(68)	67
Condition Improvement Fund	-	619	-	(33)	586
Fixed asset fund (note 14)	30,430	-	(2,162)	85	28,353
	<u>30,469</u>	<u>715</u>	<u>(2,162)</u>	<u>(16)</u>	<u>29,006</u>
Total restricted funds	<u>24,554</u>	<u>23,193</u>	<u>(25,624)</u>	<u>2,756</u>	<u>24,879</u>
Unrestricted funds					
Unrestricted funds	549	2,025	(1,925)	102	751
Total unrestricted funds	<u>549</u>	<u>2,025</u>	<u>(1,925)</u>	<u>102</u>	<u>751</u>
Total funds	<u>25,103</u>	<u>25,218</u>	<u>(27,549)</u>	<u>2,858</u>	<u>25,630</u>

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	28,353	28,353
Current assets	751	876	653	2,280
Current liabilities	-	(853)	-	(853)
Pension Scheme liability	-	(4,150)	-	(4,150)
Total net assets	751	(4,127)	29,006	25,630

Comparative analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	29,382	29,382
Current assets	504	955	20	1,479
Current liabilities	-	(894)	-	(894)
Pension Scheme liability	-	(4,957)	-	(4,957)
Total net assets	504	(4,896)	29,402	25,010

19 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	-	-

20 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	31	26
Amounts due between one and five years	23	32
Amounts due after five years	-	-
	54	58

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(776)	(1,554)
Adjusted for:		
Depreciation (note 14)	1,059	1,103
Capital grants from DfE and other capital income	(663)	(52)
Interest receivable (note 7)	(4)	(3)
Defined benefit pension scheme cost less contributions payable (note 27)	454	352
Defined benefit pension scheme finance cost (note 27)	135	140
(Increase)/decrease in debtors	(245)	8
Increase/(decrease) in creditors	(41)	70
Net cash (used in)/provided by operating activities	(81)	64

22 Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash used in financing activities	-	-

23 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	4	3
Purchase of tangible fixed assets	(30)	(55)
Capital grants from DfE Group	663	52
Capital funding received from sponsors and others	-	-
Net cash provided by/(used in) investing activities	637	-

24 Analysis of cash and cash equivalents

	At 1 September 2017 £	Cash flows £	At 31 August 2018 £
Cash at bank and in hand	532	406	938
Notice deposits (less than 12 months)	600	150	750
	1,132	556	1,688

25 Contingent liabilities

There are no contingent liabilities that require disclosure.

26 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.

27 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 Oxfordshire County Council. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £152k were payable to the schemes at 31 August 2018 (2017: £153k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

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

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The pension costs paid to TPS in the period amounted to £879k (2017: £860k).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £505k (2017: £474k), of which employer's contributions totalled £385k (2017: £355k) and employees' contributions totalled £120k (2017: £119k). The agreed contribution rates for future years are 16.7% for employers and 5.5-12.5% for employees until 31 March 2020. In addition, employer top-up contributions of £60,000 and £62,000 are due for the years ending 31 March 2019 and 2020 respectively. The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.50%	4.20%
Rate of increase for pensions in payment / inflation	2.40%	2.70%
Discount rate for scheme liabilities	2.80%	2.60%
Inflation assumption (CPI)	2.40%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.4	23.4
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	25.7	25.7
Females	27.9	27.9

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2018	At 31 August 2017
	£	£
Discount rate +0.1%	9,905	9,838
Discount rate -0.1%	10,367	10,291
Mortality assumption - 1 year increase	N/A	10,392
Mortality assumption - 1 year decrease	N/A	9,742
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

27 Pension and similar obligations (continued)

Local Government Pension Scheme

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,190	3,147
Gilts	-	760
Other bonds	1,018	247
Property	479	332
Cash	299	197
LLP's	-	166
Diversified growth fund	-	251
Alternative assets	-	5
Total market value of assets	5,986	5,105
Present value of scheme liabilities		
- Funded	(10,136)	(10,062)
Surplus/(deficit) in the scheme	(4,150)	(4,957)

The actual return on scheme assets was £413k (2017: £577k).

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	839	719
Net interest cost	135	127
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Administration expenses	-	1
Total amount recognised in the SOFA	974	847

27 Pension and similar obligations (continued)

Local Government Pension Scheme

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

	2018 £	2017 £
At 1 September	10,062	10,217
Current service cost	839	707
Interest cost	274	224
Employee contributions	120	119
Actuarial (gain)/loss	(1,159)	(966)
Estimated benefits paid net of transfers in	-	(251)
Past Service costs	-	12
At 31 August	10,136	10,062

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

	2018 £	2017 £
At 1 September	5,105	4,290
Interest income	139	97
Return on plan assets (excluding net interest on the net defined pension liability)	237	480
Actuarial gain/(loss)	-	16
Administration expenses	-	(1)
Employer contributions	385	355
Employee contributions	120	119
Estimated benefits paid plus unfunded net of transfers in	-	(251)
At 31 August	5,986	5,105

Reconciliation of opening and closing deficit

	2018		2017	
	£	£	£	£
Pension deficit at 1 September		(4,957)		(5,927)
Current service cost	(839)		(707)	
Employer contributions	385		355	
Additional pension cost		(454)		(352)
Other finance costs		(135)		(140)
Actuarial gains/(losses)		1,396		1,462
Pension deficit at 31 August		(4,150)		(4,957)

The 2017 pension figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

28 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 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 period of account:

During the year, £600 (2017: £Nil) was paid to Education Oxford for consultancy services provided by J Judson (Trustee).

R Hadland (Member and Trustee) is an employee and minority shareholder of RM Education. Mr Hadland is not involved in the decision making regarding IT service provider for the academy trust and is not involved in the service provided to the academy trust by RM Education. During the period the trust purchased goods and services for ICT with a total cost of £83,208 (2017: £43,640) from RM Education.

The Smallpeice Trust (aka. Arkwright Engineering Scholarships) received a total of £320 from the trust in the year ended 31 August 2018 (£2017: £Nil). Rachael Warwick (Ridgeway Academy Trust's CEO) is a Trustee of The Smallpeice Trust.

29 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2018 the trust received £18k (2017: £18k) and disbursed £7k (2017: £6k) from the fund. £1k was retained by the academy trust for admin costs (2017: £1k). An amount of £46k (2017: £36k) (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to ESFA.

Ridgeway Education Trust
Notes to the financial statements
For the year ended 31 August 2018

30 Teaching School Trading Account

		2018		2017	
		£'000	£'000	£'000	£'000
Income					
	Direct Income				
	National College Grants	<u>60</u>		<u>-</u>	
	Other Income				
	Fundraising and other trading activities	<u>4</u>		<u>-</u>	
Total Income			64		-
Expenditure					
Direct costs					
	Direct costs				
	Direct staff costs	55		-	
	Staff development	2		-	
	Other direct costs	<u>-</u>		<u>-</u>	
	Total direct costs		57		-
	Other costs				
	Support staff costs	6		-	
	Other support costs	-		-	
	Total indirect costs		6		-
Total Expenditure			63		-
Surplus/(Deficit) from all sources			1		-
Teaching school balances at 1 September 2017			-		-
Teaching school balances at 31 August 2018			<u>1</u>		<u>-</u>