

RIBBON ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Ribbon Academy Trust

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Ribbon Academy Trust

Reference and Administrative Details

Members	L Hall, Chair S Hardy C Raby J Weightman S Ball
Trustees (Directors)	L Hall, Chair M Morton J Murray, Staff Trustee V Raby A Sheridan, Head Teacher I Stephenson, Vice Chair and Chair of Business Committee K M Mcavoy J Griffiths K Smoughton (appointed 20 October 2020) E Chandler (appointed 15 March 2021) P Garrod (appointed 12 February 2021) H Williams (appointed 27 September 2021) B Laurie (appointed 16 September 2021)
Company Secretary	Prima Secretary Limited
Senior Management Team	A Sheridan, Head Teacher C Park, Deputy Head L Walton, Phase Leader (EYFS) J Lowes, Phase Leader (Lower School) N Ruddell, Phase Leader (Upper School) K Jones, Inclusion Manager / SENCO
Principal and Registered Office	The Ribbon Barnes Road Murton Seaham County Durham SR7 9QR

Ribbon Academy Trust

Reference and Administrative Details (continued)

Company Name	Ribbon Academy Trust
Company Registration Number	08132353
Auditors	MHA Tait Walker Chartered Accountant & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF
Solicitors	Womble Bond Dickinson (UK) LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021

The Trustees present their annual report and the financial statements of the Academy for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The principal activities of the Ribbon Academy Trust are the provision of education for children aged from 3 – 11 years old.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Ribbon Academy Trust is a company limited by guarantee, (company number 08132353) and an exempt charity. The company was incorporated on 5th July 2012 and commenced trading as an Academy on 1st September 2012. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The trustees of Ribbon Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Ribbon Academy Trust.

Members' Liability

Each member of the Academy Trust 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 1 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

Each Trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of Recruitment & Appointment or Election of Trustees

The Members may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such additional Members.

Every person nominated to be a Member of the Academy Trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Staff Trustees are appointed through such process as Members may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees. In Ribbon Academy a ballot of the staff takes place after interested staff put their names forward.

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Board of Trustees makes all necessary arrangements for elections of Parent Trustees, including ensuring that every person who is known to be a parent of a registered pupil at the Academy Trust is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

A Co-opted Trustee is a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if the number of Trustee who are employees of the Academy Trust would exceed one third of the total number of Trustee (including the Head Teacher).

Policies and Procedures Adopted for the Induction and Training of Trustees

Policies and procedures continue to be developed to provide a comprehensive training package for Trustees, including a Service Level Agreement with Durham County Council for Trustee training packages and membership to the National Governors Association.

Organisational Structure

During the period the Academy Trust continued to operate a unified management structure. The structure consisted of three levels: the Trustees, the senior management team and middle leaders' team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policies, adopting an annual development plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and permanent staff appointments.

The Head Teacher, as Accounting Officer, is responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources and maximises the educational and wider social outcomes achieved in return for the taxpayer resources received.

The Business Committee are responsible for ensuring compliance with the overall financial plan for the Academy Trust. In addition they are responsible for monitoring and reviewing systems and procedures for ensuring the effective implementation and operation of financial procedures as well as receiving auditor's reports and recommending actions to the Board of Trustees.

Arrangement for setting pay and remuneration of key management personnel

Ribbon Academy Trust recognises and follows the National Pay structures for both teaching and support staff. The Pay Review Committee meets annually and the Head Teacher has her performance management and pay review conducted by an external education specialist.

Trade Union Facility Time

Whilst Ribbon Academy fully supports the trade unions, time is not set aside specifically for union facility time. If staff request meetings with their trade unions, this is facilitated within school.

Relevant Union Officials

None of the staff have made it known to management that they are trade union officials.

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Number of employees who were relevant union officials during the period	Full time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	0
Total pay bill	0
Percentage of the total pay bill spent on facility time	0

Paid trade union activities

Total spend on trade union activities as a percentage of total paid facility time hours	0
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Connected Organisations including Related Party Relationships

Ribbon Academy Trust has links with a private day care facility which operates on site.

Ribbon Daycare is a private day care facility and run independently from the Academy. It is operated as a company limited by guarantee.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's principal activities are defined as "the Object" in the agreed Memorandum and Articles of Association and are specifically restricted to the following:

- to advance, for the public benefit, education in the United Kingdom. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the Academy"); and

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

- to promote for the benefit of the inhabitants of the areas surrounding the Academy the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

Ribbon Academy Trust aims to provide creative and inspirational learning experiences which encourage young people to achieve their full potential and to become intelligent, responsible, productive and caring adults who are well prepared for the challenges of a world full of opportunities.

We promote a fully inclusive **learning** community in which all ages meet to share and develop their talents and to promote mutual respect for all people, whatever their age, gender, ability, background or beliefs.

The Academy Trust's Improvement Plan is reviewed annually. The main objectives of the Academy Trust for the academic year 2021/22 are:

Priority 1: Ensure Subject Leaders have a deep knowledge and understanding of their curriculum plans to enable them to monitor, act and provide support to ensure curriculum coverage is comprehensive and fully inclusive.

Priority 2: Pedagogical strategies for helping children secure knowledge are understood and employed to ensure learning resonates into the long term.

Priority 3: Evaluate the approach to assessment across all subjects to identify what children have learned and remembered (responding to identified needs).

Public Benefit

The Trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the academy and in planning future activities. In particular, the trustees consider the provision of education to provide public benefit to the community in which it operates.

Ofsted

The Academy Trust was inspected under Section 8 of CIF in October 2017. The inspection confirmed that the leadership team had maintained the good quality of education in the school since the last inspection (2013). The Head teacher, appointed in January 2017, had made significant and effective changes to the Academy Trust to ensure that it continues to improve. The inspection confirmed that the HT's analysis of how the Academy Trust is doing and what is required to improve it further is ambitious, realistic and brave. The inspection was summarised as follows: -

The Academy Trust 's successful work in reshaping the curriculum so that staff focus more carefully on the individual needs of every pupil has encouraged a significant amount of sharing among staff, with colleagues learning from each other's work. The reorganisation of the senior team with its emphasis on inclusion and the monitoring of the quality and influence of teaching, has further improved team working and raised expectations across the school.

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The Academy Trust is realistic about what still needs to be done to improve reading and the development of pupils' mathematical skills. New initiatives are having a positive impact on pupils' skills and delight in reading. They are also having a positive impact on pupils' own writing and their ability to read, interpret and solve the verbal mathematical problems that are a key element of the mathematics curriculum.

The Board of Trustees knows the school and the local community very well. Trustees work closely with senior leaders to improve outcomes for children. They make detailed checks on the school's work through regular focused visits and follow-up discussion. Trustees evaluate the impact of leaders' actions and provide challenge that helps ensure that the school keeps on track. You provide the Board of Trustees with detailed information. Trustees use this information and their own direct knowledge of the school to check progress and analyse the impact of your actions.

A large majority of the parents and carers who respond to the Academy Trust's regular questionnaires for parents, are supportive of the Academy Trust. They are particularly complimentary about the leadership and the way the school engages and seek parents' views. Parents are confident that their children are happy, safe and well taught.

Safeguarding is effective. The school takes safeguarding responsibilities very seriously. There is a culture of safeguarding at the Academy Trust. There is regular and effective training for all staff and Trustees to ensure that they are up to date in their knowledge and understanding. The Academy Trust has strong links with outside agencies.

Achievement & Performance

Statutory tests were cancelled in 2020 and 2021 due to the pandemic and subsequent school closure.

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that Ribbon Academy Trust has adequate resources to continue in the 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.

Promoting the success of the company

Trustees are aware that under section 172(1)(a) to (f) of the Companies Act 2006, directors of a company must act in a way most likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the Education Funding Agency in the form of recurring grants, the use of which is restricted to educational purposes. Income received from the Education Funding Agency, and its associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

As shown in the Statement of Financial Activities, income for the period ended 31 August 2021 totalled £2,990,000 and expenditure totalled £3,167,000 leaving a deficit of £177,000 before actuarial gains on defined benefit pension schemes.

The actuarial gain on defined benefit pension schemes amounted to £126,000 for the period, leaving an overall deficit of £51,000 for the period ended 31 August 2021 (2020: £194,000 deficit).

The deficit for the period comprises a surplus on unrestricted funds of £97,000, a deficit of £89,000 on restricted general funds, and a deficit of £59,000 on the restricted fixed assets fund.

The actuarial gain in the year on the inherited LGPS liability (note 22) has resulted in the restricted general fund showing a deficit carried forward of £2,728,000. The Academy Trust's cash resources and budget for 2021/22 indicate that the Trustees expect the day-to-day activities of the Academy Trust to be adequately funded by income from all sources. The Academy Trust is making additional contributions to the LGPS in order to reduce the deficit position.

Reserves Policy

The Trustees recognise the need to retain a reasonable level of reserves for the Academy Trust. Trustees have recently reviewed the reserves policy and are happy to continue to aim to hold one months' salaries plus £100,000 in free reserves. This would equate to £280,000. Free reserves are those reserves which are not invested in fixed assets, tied up in the pension reserve, or otherwise subject to restriction. At the year end, free reserves equal £448,000, and the Academy Trust is working hard towards maintaining the level of reserves required. The Trustees are satisfied that reserves are at a satisfactory level as they consider that the Academy is able to manage its cash flow needs from future funding sources, whilst having the freedom to invest a small amount in meeting the future needs of the academy.

There are three separate funds held by the Academy; unrestricted, restricted general and restricted fixed asset funds.

At the period ended 31 August 2021, the balance of unrestricted funds was £448,000. Unrestricted funds contain resources that can be spent on any purpose at the discretion of the Trustees, within the objects of the Academy as set out in its governing documents. Unrestricted funds are generated from activities for generating funds including income from school meals, hire of facilities, school uniform sales, income received for staff seconded to other organisations such as Ofsted and Ribbon Daycare Limited.

At the period ended 31 August 2021 the balance of restricted general funds was (£2,728,000) which comprises the Local Government Pension Scheme liability. Restricted general funds contain resources which must be spent on particular purposes. Income includes Education Funding Agency (ESFA) grants such as GAG, pupil premium and SEN grants as well as any donations received which have restrictions attached. The majority of the Academy's running costs are included in the restricted general funds.

Ribbon Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund, and therefore the pension liability has been aligned with this fund.

At the period ended 31st August 2021, the balance of restricted fixed asset funds was £4,054,000. Restricted fixed asset funds contain resources to be spent on capital purposes. Income includes ESFA capital grants and donated fixed assets such as the land and buildings transferred from the local authority. Expenditure relates to the annual depreciation charge made to the Statement of Financial Activities to reflect the use of fixed assets. The fund can represent unexpended grants received for capital purposes and the carrying value of funded fixed assets.

Investment Policy

During the period ended 31 August 2021, the Trustees have held small cash balances in instant access current accounts. The remaining cash has been invested in secure, higher interest accounts.

Principal Risks and Uncertainties

The Head Teacher considers the risks and uncertainties are centred around changes in the level of funding from the ESFA, especially the negative impact of the pandemic and the subsequent uncertainty around the UK economy following that and Brexit.

In addition, the Academy Trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant deficit on the Academy Trust Balance Sheet. The future movement of the liability cannot be reliably predicted, however the Trustees rely on the schemes actuary for information and advice. The Academy Trust is making additional contributions to the LGPS in order to reduce the deficit position.

In terms of liquidity risk, the funding needs of the Academy Trust are reviewed in detail on a continuous basis as part of internal planning and forecasting processes to ensure that the Academy Trust does not go overdrawn on its bank account.

Fundraising

Fundraising practices and procedures are well established at Ribbon Academy Trust. Whilst the Academy Trust raises money with the help of the parents/carers and the local community, this tends to be for national fundraising events such as Children in Need and Comic/Sport relief as well as small projects and one off resources such as theatre groups. The Academy Trust ensures all donations are made on a purely voluntary basis and avoid putting families under undue pressure.

The Academy Trust does not use professional fundraisers, but staff look for appropriate sources of funding, then write and submit bids in conjunction with other teams within Academy Trust (eg finance). This is done as needs arise.

Plans for Future Periods

Since March 2020, the Academy has been through two periods of lockdown and continues to deal with the after-effects of the pandemic. Children have missed out on months of education which has also had a direct and negative impact on their mental health. Although the incidence of confirmed cases in school is high, the incidence of frequent isolation is prolific and extremely damaging. Despite having a robust recovery programme in place, we will continue to live with the devastating impact of the pandemic for many years to come.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Auditor

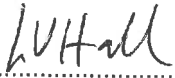
Insofar as the trustees are aware:

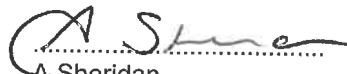
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

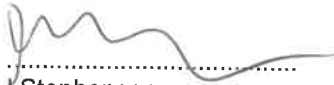
Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 24 November 2021 and signed on its behalf by:


.....
L Hall
Trustee


.....
A Sheridan
Trustee


.....
I Stephenson
Trustee

Ribbon Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 14 times during the year, either face to face or online. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Miss L Betty	1	1
Mrs E Chandler	0	2
Mr P Garrod	3	4
Mrs J Griffiths	5	8
Mrs L Hall	12	14
Mrs K McAvoy	13	13
Mr M Morton	5	10
Mr J Murray	11	13
Mrs V Raby	6	9
Mrs A Sheridan	13	13
Mrs K Smoughton	8	9
Mr I Stephenson	11	12

Board of Trustees

During this period of the Academy Trust, the full board of Trustees met as noted above. Meetings have been held using virtual technology where it was not possible to meet face to face. Ribbon Academy continue to procure the services of Durham County Council, School and Governors Support Service (DCC SGSS). This service level agreement is working well and is reviewed on an annual basis./

- The business committee continues to cover finance, audit, staffing, legal, GDPR, premises and health and safety functions. A new addition is the financial oversight of any funding received as a result of the pandemic.

Ribbon Academy Trust

Governance Statement (continued)

- The curriculum and standards committee continues to oversee anything concerning pupils. It looks at safeguarding, curriculum, data and academic performance as well as pupil premium and sports premium effectiveness. A new addition is to oversee the impact of any funding received as a result of the pandemic.

Business Committee

Attendance during the year at meetings of the business committee was as follows:

Trustee	Meetings attended Out of a possible	
Mr P Garrod	2	3
Mrs L Hall	5	6
Mrs K McAvoy	6	6
Mr M. Morton	1	6
Mr J Murray	4	6
Mrs A Sheridan	6	6
Mr I Stephenson	5	6

Review and Assessment of the Board

The decision to buy into a service level agreement with Durham County Council has proved invaluable. The structure of meetings has improved with up to date documentation being circulated in plenty of time for Trustees to take the information on board before meetings. The Board has said goodbye to some valued trustees during the year as well as welcoming new members who are starting to evidence knowledge and experience in the areas identified by the skills audit. The Academy embarked on a programme of recruitment in 20/21 and as at the end of August 2021, the Board had no vacancies.

Quality of Data

The quality of the data produced and presented for the boards use is of a high standard as evidenced in the Standards, Progress & Attainment report within the School Evaluation & School Improvement Plan. The information is presented in a concise format which is easy for the board to interpret and therefore use in their decision making. Any updates are received in a timely fashion by means of the HT termly report. The use of an independent proven assessment profile gives assurance to the board that the information is factual and acceptable for their needs.

Review of Value for Money

As accounting officer, the head teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

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

Ribbon Academy Trust

Governance Statement (continued)

- Making comparisons with other/similar academies using data provided by the LA and the Government, for example benchmarking tools, the DfE efficiency metric and the quality of teaching & learning and levels of expenditure;
- Challenging proposals, examining them for effectiveness, efficiency, and cost;
- Requiring suppliers to compete on grounds of cost and the quality/suitability of services, products and backup;
- Consulting individuals and organisations on the quality/suitability of service we provide to parents and pupils, and services we receive from providers;
- Deploying staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management in order to maximise and accelerate the progress made by pupils;
- Considering the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources;
- Utilising staff skills and experience rather than buy in services, particularly regarding repairs, maintenance and development of the premises and grounds.
- Deploying equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning;
- Reviewing the quality of curriculum provision and quality of teaching;
- Reviewing the quality of children's learning by cohort, class and group, to provide teaching which enables children to achieve at least nationally expected progress and around at least one third to achieve more than expected progress from their individual starting points;
- Developing procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost;
- Review the quality of the academy environment and the academy ethos; and
- Reviewing the quality of the academy environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

The Academy is monitored for best value by:

- In-house monitoring by the Head Teacher, curriculum managers and budget holders;
- Termly target setting meetings between the Head Teacher and curriculum managers;
- Staff Appraisal;
- Annual budget planning and monthly budget monitoring;
- Head Teacher's and Trustees' regular finance review;
- Comparison exercises such as benchmarking and efficiency metric;
- Termly internal assurance visits, year end external audit plus internal Business Committee checks;
- Analysis of academy pupil performance data against similar LA academies (where possible) and analysis of financial data against benchmark data for similar academies where available;
- Analysis of pupil performance data;
- OFSTED Inspection reports;

Ribbon Academy Trust

Governance Statement (continued)

- Trustees' committee meetings;
- Trustees' full meetings;

Trustees, the Head Teacher and academy managers do not waste time and resources:

- On investigating minor areas where few improvements can be achieved;
- To make very minor savings in costs or;
- By seeking tenders for minor supplies and services. The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs.

Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ribbon Academy Trust for the period from 1 September 2020 to 31 August 2021, provided by Azets.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

Ribbon Academy Trust

Governance Statement (continued)

The Board of Trustees considered the need for a specific internal audit function and appointed Azets to provide a programme of supplementary procedures. The programme was in place with an agreed and regularly reviewed work plan being used to report back to the Audit Committee on a termly basis. The schedule of work was undertaken for the period and any control issues arising as a result of this review were included in the reports. There were no significant issues.

The supplementary procedures carried out include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, checks carried out in the period included:

- Testing of ESFA, DfE and Local Authority income;
- Testing of purchasing and payments systems;
- Testing of bank, petty cash, and debit card use;
- Testing of payroll systems and procedures; and
- Testing of policies which are in place at the Academy.

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

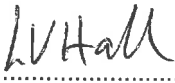
Review of Effectiveness


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


- The work of the external auditor;
- The work of the external auditor; and
- The work of the audit committee and the managers within Ribbon Academy Trust who have responsibility for the 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 address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 24 November 2021 and signed on its behalf by:


.....
L Hall
Trustee


.....
A Sheridan
Trustee


.....
I Stephenson
Trustee

Ribbon Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Ribbon Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



.....
A Sheridan, Head Teacher
Accounting officer

24 November 2021

Ribbon Academy Trust

Statement of Trustees' Responsibilities

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

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


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 members of the Board on 24 November 2021 and signed on its behalf by:


.....
L Hall
Trustee


.....
A Sheridan
Trustee


.....
I Stephenson
Trustee

Ribbon Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Ribbon Academy Trust

Opinion

We have audited the financial statements of Ribbon Academy Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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.

Ribbon Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Ribbon Academy Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report 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 our knowledge and understanding of the company 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 17], the trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

Ribbon Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Ribbon Academy Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ribbon Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Ribbon Academy Trust (continued)

Use of our report

This report is made solely to the Academy's trustees, 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's trustees 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 and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *15th December 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

Ribbon Academy Trust

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

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ribbon Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Ribbon Academy Trust

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

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

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

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

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *15th December 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

Ribbon Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	2	12	-	10	22
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,861	-	2,861
Other trading activities	4	93	14	-	107
Total		105	2,875	10	2,990
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	5	3,090	72	3,167
Net income/(expenditure)		100	(215)	(62)	(177)
Transfers between funds		(3)	-	3	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	126	-	126
Net movement in funds/(deficit)		97	(89)	(59)	(51)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		351	(2,639)	4,113	1,825
Total funds/(deficit) carried forward at 31 August 2021		448	(2,728)	4,054	1,774

Ribbon Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

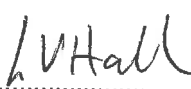
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Donations and capital grants	2	23	-	10	33
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,704	-	2,704
Other trading activities	4	93	-	-	93
Investments	5	3	-	-	3
Total		<u>119</u>	<u>2,704</u>	<u>10</u>	<u>2,833</u>
Expenditure on:					
Raising funds	6	10	-	-	10
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>12</u>	<u>2,911</u>	<u>79</u>	<u>3,002</u>
Total		<u>22</u>	<u>2,911</u>	<u>79</u>	<u>3,012</u>
Net income/(expenditure)		97	(207)	(69)	(179)
Transfers between funds		(34)	24	10	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	22	<u>-</u>	<u>(15)</u>	<u>-</u>	<u>(15)</u>
Net movement in funds/(deficit)		63	(198)	(59)	(194)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>288</u>	<u>(2,441)</u>	<u>4,172</u>	<u>2,019</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>351</u>	<u>(2,639)</u>	<u>4,113</u>	<u>1,825</u>

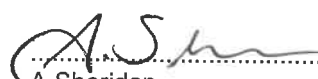
Ribbon Academy Trust

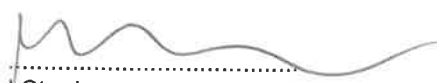
(Registration number: 08132353) Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	11	4,054	4,113
Current assets			
Debtors	12	155	123
Cash at bank and in hand		541	431
		<u>696</u>	<u>554</u>
Creditors: Amounts falling due within one year	13	<u>(248)</u>	<u>(203)</u>
Net current assets		<u>448</u>	<u>351</u>
Total assets less current liabilities		<u>4,502</u>	<u>4,464</u>
Net assets excluding pension liability		4,502	4,464
Pension scheme liability	22	<u>(2,728)</u>	<u>(2,639)</u>
Net assets including pension liability		<u>1,774</u>	<u>1,825</u>
Funds of the Academy:			
Restricted funds			
Restricted fixed asset fund	14	4,054	4,113
Restricted pension fund	14	<u>(2,728)</u>	<u>(2,639)</u>
		1,326	1,474
Unrestricted funds			
Unrestricted income fund	14	<u>448</u>	<u>351</u>
Total funds		<u>1,774</u>	<u>1,825</u>

The financial statements on pages 24 to 49 were approved by the trustees, and authorised for issue on 24 November 2021 and signed on their behalf by:


.....
L Hall
Trustee


.....
A Sheridan
Trustee


.....
Stephenson
Trustee

Ribbon Academy Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	17	106	79
Cash flows from investing activities	18	<u>4</u>	<u>(7)</u>
Change in cash and cash equivalents in the year		110	72
Cash and cash equivalents at 1 September		<u>431</u>	<u>359</u>
Cash and cash equivalents at 31 August	19	<u>541</u>	<u>431</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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, at rates calculated to write off the cost of each asset on a straight-line over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold land and buildings	125 years straight line
Furniture and fixtures	4 years straight line
Computer equipment	3 years straight line

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 within interest payable and similar charges.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 13. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension 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. 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.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 recognised gains and losses.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £72,000 (2020 - £79,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Educational trips and visits	-	-	-	-	10
Capital grants	7	-	10	17	10
Other donations	5	-	-	5	13
	<u>12</u>	<u>-</u>	<u>10</u>	<u>22</u>	<u>33</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>23</u>	<u>-</u>	<u>10</u>	<u>33</u>	

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	2,072	-	2,072	1,959
Other ESFA Group grants	-	304	-	304	361
	-	2,376	-	2,376	2,320
Other government grants					
Local authority grants	-	309	-	309	259
Other Government grants	-	136	-	136	122
	-	445	-	445	381
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	39	-	39	-
	-	39	-	39	-
Non-government grants and other income					
Other income from the academy trusts educational operations	-	1	-	1	3
Total grants	-	2,861	-	2,861	2,704
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	-	2,704	-	2,704	

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £39,000 of catch up costs. These costs are included in notes 6 and 8 below as appropriate.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	8	14
Pupil Premium and Service Premium	224	261
Universal Infant Free School Meals (UiFSM)	61	66
Other	-	20
Teachers' Pay Grant	11	-
	<u>304</u>	<u>361</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Hire of facilities	34	14	-	48	27
Catering income	47	-	-	47	49
Other sales	12	-	-	12	17
	<u>93</u>	<u>14</u>	<u>-</u>	<u>107</u>	<u>93</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>93</u>	<u>-</u>	<u>-</u>	<u>93</u>	

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Short term deposits	-	-	-	-	3
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>	

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	-	-	10
Academy's educational operations					
Direct costs	1,953	-	330	2,283	2,170
Allocated support costs	597	190	97	884	832
	<u>2,550</u>	<u>190</u>	<u>427</u>	<u>3,167</u>	<u>3,012</u>

	Non Pay Expenditure			Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2020	<u>2,413</u>	<u>190</u>	<u>409</u>	<u>3,012</u>

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	16	10
Depreciation	72	79
Fees payable to auditor - audit	6	6
Fees payable to auditor - other audit services	3	3
	<u>3</u>	<u>3</u>

7 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	2,283	2,170
Support costs - educational operations	884	832
	<u>3,167</u>	<u>3,002</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities (continued)

	Educational operations £ 000	Total 2021 £ 000	Total 2020 £ 000
Analysis of support costs			
Support staff costs	597	597	434
Depreciation	72	72	79
Technology costs	3	3	5
Premises costs	118	118	111
Legal costs	34	34	123
Other support costs	50	50	65
Governance costs	10	10	15
Total support costs	<u>884</u>	<u>884</u>	<u>832</u>

8 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	1,826	1,747
Social security costs	155	148
Operating costs of defined benefit pension schemes	<u>569</u>	<u>506</u>
	2,550	2,401
Supply staff costs	<u>-</u>	<u>12</u>
	<u>2,550</u>	<u>2,413</u>

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	22	26
Administration and support	6	64
Management	<u>56</u>	<u>6</u>
	<u>84</u>	<u>96</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £421,161 (2020 - £390,396).

9 Related party transactions - trustees' remuneration and expenses

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

A Sheridan (Head Teacher):

Remuneration: £75,000 - £80,000 (2020 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2020 - £15,000 - £20,000)

J Murray (Teacher):

Remuneration: £25,000 - £30,000 (2020 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2020 - £5,000 - £10,000)

A Duke (Teacher):

Remuneration: £Nil (2020 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2020 - £5,000 - £10,000)

K Smoughton (Teacher):

Remuneration: £15,000 - £20,000 (2020 - £Nil)

Employer's pension contributions: £0 - £5,000 (2020 - £Nil)

Other related party transactions involving the trustees are set out in note 23.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 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 officers indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2020	4,290	237	124	4,651
Additions	-	11	2	13
At 31 August 2021	<u>4,290</u>	<u>248</u>	<u>126</u>	<u>4,664</u>
Depreciation				
At 1 September 2020	253	180	105	538
Charge for the year	32	29	11	72
At 31 August 2021	<u>285</u>	<u>209</u>	<u>116</u>	<u>610</u>
Net book value				
At 31 August 2021	<u>4,005</u>	<u>39</u>	<u>10</u>	<u>4,054</u>
At 31 August 2020	<u>4,037</u>	<u>57</u>	<u>19</u>	<u>4,113</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	33	13
VAT recoverable	15	3
Prepayments	107	107
	<u>155</u>	<u>123</u>

13 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	45	7
Other taxation and social security	38	34
Other creditors	15	-
Accruals	22	40
Deferred income	83	79
Pension scheme creditor	45	43
	<u>248</u>	<u>203</u>

	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	79	75
Resources deferred in the period	83	79
Amounts released from previous periods	<u>(79)</u>	<u>(75)</u>
Deferred income at 31 August 2021	<u>83</u>	<u>79</u>

At the balance sheet date, the Trust was holding funds received in advance in respect Universal Infant Free School Meals, Trip Income and SEN Funding.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	2,072	(2,072)	-	-
Other DfE/ESFA	-	304	(304)	-	-
Other Government Grants	-	445	(445)	-	-
COVID-19	-	39	(39)	-	-
Other Income	-	15	(15)	-	-
	<u>-</u>	<u>2,875</u>	<u>(2,875)</u>	<u>-</u>	<u>-</u>
Restricted fixed asset funds					
Transfer on conversion	3,935	-	(33)	-	3,902
DfE/ESFA capital grants	20	10	(4)	3	29
Capital expenditure from GAG	158	-	(35)	-	123
	<u>4,113</u>	<u>10</u>	<u>(72)</u>	<u>3</u>	<u>4,054</u>
Restricted pension funds					
Pension reserve	<u>(2,639)</u>	<u>-</u>	<u>(215)</u>	<u>126</u>	<u>(2,728)</u>
Total restricted funds	1,474	2,885	(3,162)	129	1,326
Unrestricted funds					
Unrestricted income	<u>351</u>	<u>105</u>	<u>(5)</u>	<u>(3)</u>	<u>448</u>
Total funds	<u>1,825</u>	<u>2,990</u>	<u>(3,167)</u>	<u>126</u>	<u>1,774</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	1,959	(1,983)	24	-
Other DfE/ESFA	-	361	(361)	-	-
Other Government Grants	-	384	(384)	-	-
	<u>-</u>	<u>2,704</u>	<u>(2,728)</u>	<u>24</u>	<u>-</u>
Restricted fixed asset funds					
Transfer on conversion	4,011	-	(76)	-	3,935
DfE/ESFA capital grants	-	10	-	10	20
Capital expenditure from GAG	161	-	(3)	-	158
	<u>4,172</u>	<u>10</u>	<u>(79)</u>	<u>10</u>	<u>4,113</u>
Restricted pension funds					
Pension reserve	<u>(2,441)</u>	<u>-</u>	<u>(183)</u>	<u>(15)</u>	<u>(2,639)</u>
Total restricted funds	1,731	2,714	(2,990)	19	1,474
Unrestricted funds					
Unrestricted income	<u>288</u>	<u>119</u>	<u>(22)</u>	<u>(34)</u>	<u>351</u>
Total funds	<u>2,019</u>	<u>2,833</u>	<u>(3,012)</u>	<u>(15)</u>	<u>1,825</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit of the amount of GAG that it could carry forward at 31 August 2021.

Other DfE / ESFA grants, Local Authority grants and other income include Pupil Premium, PE Grant, Universal Infant Free School Meals and Rates Relief.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted funds. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

The restricted funds are in deficit as a result of the deficit on the LGPS Pension Scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy Trust.

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	4,054	4,054
Current assets	448	248	-	696
Current liabilities	-	(248)	-	(248)
Pension scheme liability	-	(2,728)	-	(2,728)
Total net assets	<u>448</u>	<u>(2,728)</u>	<u>4,054</u>	<u>1,774</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	4,113	4,113
Current assets	351	203	-	554
Current liabilities	-	(203)	-	(203)
Pension scheme liability	-	(2,639)	-	(2,639)
Total net assets	<u>351</u>	<u>(2,639)</u>	<u>4,113</u>	<u>1,825</u>

16 Long-term commitments, including operating leases

Operating leases

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

	2021 £ 000	2020 £ 000
Amounts due within one year	18	11
Amounts due between one and five years	<u>58</u>	<u>4</u>
	<u>76</u>	<u>15</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

		2021	2020
		£ 000	£ 000
Net expenditure		(177)	(179)
Depreciation	6	72	79
Capital grants from DfE and other capital income		(17)	(10)
Interest receivable	5	-	(3)
Defined benefit pension scheme cost less contributions payable	22	172	138
Defined benefit pension scheme finance cost	22	43	45
(Increase)/decrease in debtors		(32)	38
Increase/(decrease) in creditors		45	(29)
Net cash provided by Operating Activities		<u>106</u>	<u>79</u>

18 Cash flows from investing activities

		2021	2020
		£ 000	£ 000
Dividends, interest and rents from investments		-	3
Purchase of tangible fixed assets		(13)	(20)
Capital funding received from sponsors and others		17	10
Net cash provided by/(used in) investing activities		<u>4</u>	<u>(7)</u>

19 Analysis of cash and cash equivalents

		2021	2020
		£ 000	£ 000
Cash at bank and in hand		<u>541</u>	<u>431</u>
Total cash and cash equivalents		<u>541</u>	<u>431</u>

20 Analysis of changes in net debt

	At 1		At 31 August
	September	Cash flows	2021
	2020	£000	£000
	£000	£000	£000
Cash	<u>431</u>	<u>100</u>	<u>531</u>
Total	<u>431</u>	<u>100</u>	<u>531</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

22 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. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £44,676 (2020 - £42,738) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £250,602 (2020: £224,834).

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

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

Local government pension scheme

Durham County Council Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £187,000 (2020 - £161,000), of which employer's contributions totalled £147,000 (2020 - £123,000) and employees' contributions totalled £40,000 (2020 - £38,000). The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.30</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Pension and similar obligations (continued)

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

	2021	2020
Retiring today		
Males retiring today	22.30	22.20
Females retiring today	24.30	24.20
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	<u>25.80</u>	<u>25.70</u>
Sensitivity analysis		
	At 31 August 2021	At 31 August 2020
	£000	£000
Discount rate +0.1%	5,746	5,024
Discount rate -0.1%	6,028	5,272
Mortality assumption – 1 year increase	5,669	4,963
Mortality assumption – 1 year decrease	6,111	5,338
CPI rate +0.1%	5,899	5,261
CPI rate -0.1%	<u>5,875</u>	<u>5,035</u>

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

	2021	2020
	£ 000	£ 000
Equities	1,788	1,239
Corporate bonds	546	369
Government bonds	490	600
Property	196	178
Cash and other liquid assets	<u>139</u>	<u>123</u>
Total market value of assets	<u>3,159</u>	<u>2,509</u>

The actual return on scheme assets was (£126,000) (2020 - (£113,000)).

Amounts recognised in the statement of financial activities

	2021	2020
	£ 000	£ 000
Current service cost	319	261
Interest income	(44)	(50)
Interest cost	<u>87</u>	<u>95</u>
Total amount recognised in the SOFA	<u>362</u>	<u>306</u>

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Pension and similar obligations (continued)

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

	2021	2020
	£ 000	£ 000
At start of period	5,148	5,035
Current service cost	319	261
Interest cost	87	95
Employee contributions	40	38
Actuarial (gain)/loss	342	(148)
Benefits paid	(49)	(133)
At 31 August	<u>5,887</u>	<u>5,148</u>

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

	2021	2020
	£ 000	£ 000
At start of period	2,509	2,594
Interest income	44	50
Actuarial gain/(loss)	468	(163)
Employer contributions	147	123
Employee contributions	40	38
Benefits paid	(49)	(133)
At 31 August	<u>3,159</u>	<u>2,509</u>

23 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. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year the Academy Trust made the following related party transactions:

J Betty

J Betty is an employee of the Trust and the sister in law of a trustee. J Betty is employed by the trust as an administrator and is remunerated at an appropriate salary scale point for the responsibilities relating to this role.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2021.

At the balance sheet date the amount due to J Betty was £Nil (2020 - £Nil).

Ribbon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Related party transactions (continued)

N Ball

N Ball is an employee of the Trust and the wife of a member. N Ball is employed by the trust as an administrator and is remunerated at an appropriate salary scale point for the responsibilities relating to this role.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2021.

At the balance sheet date the amount due to N Ball was £Nil (2020 - £Nil).

Income related party transactions

During the year the Academy Trust made the following related party transactions:

Ribbon Daycare Ltd (Formerly Little Bundles of Murton Limited)

Ribbon Daycare is a private day care facility and run independently from the Academy. It is operated as a company limited by guarantee. A Trustee for Ribbon Academy Trust is also a Director of Ribbon Daycare.

During the period, a total of £70,280 (2020 - £62,636) was recharged to Ribbon Daycare in relation to staff, catering and cleaning costs. At 31 August 2021, £32,922 (2020 - £11,854) was due to Ribbon Academy Trust.