

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

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CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

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

Members

M P Brown (resigned 1 December 2016)
R Ciornei
C R Paleschi
P D Powell
P Thwaites
L D Tomlinson

Directors

P Thwaites, Chair
C R Paleschi, Vice Chair
M P Brown (resigned 1 December 2016)
R Ciornei
C L Lidgard, Principal and Accounting Officer
L H Maycock (resigned 6 December 2016)
C A O'Brien (appointed 28 September 2016)
P D Powell
L D Tomlinson
J Turner

Company registered number

08149765

Company name

Chandlers Ridge Academy

Principal and registered office

Nunthorpe
Middlesbrough
Teesside
TS7 0JL

Senior leadership team

C L Lidgard, Head Teacher
J Turner, Business Manager
N Bryant, Assistant Head Teacher
A Dixon, Y1/2 Phase Leader
L Maycock, EYFS Leader
N Pentney, Assistant Head Teacher

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

CHANDLERS RIDGE ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Bankers

Lloyds Bank plc
137 Albert Road
Middlesbrough
TS1 2PD

Solicitors

Ward Hadaway
1A Tower Square
Wellington Street
Leeds
North Yorkshire
LS1 4DL

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The trust operates an academy for pupils aged 3 - 11 serving a catchment area in Nunthorpe. It has a pupil capacity of 402 (350 full time and 52 part time nursery places). On the Summer 2017 census the school had 384 pupils consisting of 333 full time and 51 part time (nursery) pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Chandlers Ridge Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chandlers Ridge Academy.

Details of the Directors who served during the are included in the Reference and Administrative Details on page 1.

Members' liability

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

Directors' indemnities

The academy has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 10.

Method of recruitment and appointment or election of Directors

The academy trust comprises the following Directors as provided for in the Articles of Association:

- Up to 5 Directors appointed by the members
- Any staff governors if appointed by members through an election process determined by them. At no time shall the total number of Directors who are employees (including the Principal) exceed one third of the total number of Directors
- Up to 1 LA governor if appointed by Middlesbrough Borough Council
- Minimum of 2 parent Directors elected by parents of registered pupils at the academy. The election process and any question arising from that process will be determined by the Board of Directors. Where insufficient parent Directors are obtained through an election process the Board of Directors may appoint a parent of a registered pupil or, where not practical to do so, a parent of a child of compulsory school age
- Up to 3 co-opted Directors appointed by Directors who are not co-opted themselves
- The Principal (ex-officio)

All Directors are appointed for a four year period, with the exception of the Principal who shall be treated for all purposes as being an ex-officio Director. Any Director may be re-elected or re-appointed, subject to remaining eligible for appointment.

When determining any Directors appointment or re-appointment the Board of Directors must be satisfied that the candidate has the skills needed to contribute to the effective governance and success of the academy. Consideration will be given to the skills and experience mix of existing Directors to ensure that the Board has a full range of necessary skills, collectively.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Directors (continued)

Directors are at all times when determining appointments and voting on matters mindful of the provisions of the Articles of Association regarding avoiding influenced company status.

Policies and procedures adopted for the induction and training of Directors

The training and induction provided for new Directors is dependent on their existing experience and their knowledge of the academy, but would always include a tour of the academy and an opportunity to meet with staff and students. As there are normally only one or two Directors appointed each year, induction is an informal process tailored specifically to the individual. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

Organisational structure

The business of the academy trust is managed by the Directors, who may exercise all the powers of the academy trust as set out in the Articles. To exercise its powers and fulfil its duties the Board of Directors meet at least three times in each school year, and more frequently as and when required. The Directors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academy by the use of budgets and other data, and making major decisions about the direction of the academy, capital expenditure and staff appointments.

The Board may delegate to any Director, committee, the Principal such of their powers or functions as they consider desirable to be exercised by them. Where any power or function is delegated from the Board any action taken or decision made with respect to the exercise of that power or function shall be reported to the Directors at a meeting of the Board held immediately following the taking of the action or the making of the decision.

In accordance with the Articles the following decisions are reserved to the Board of Directors and cannot be delegated:

- to consider any proposals for changes to the status or constitution of the academy and its committee structure
- to appoint or remove the Chair and/or Vice Chair
- to appoint the Head Teacher
- to appoint and remove the Clerk to the Directors
- to approve the Annual Improvement Plan and budget

For the year 2016/2017 the Board continued two committees with delegated powers; a Finance and Staffing Sub Committee (FSSC) which also acted in the role of an Audit Committee, and a Curriculum & Achievement Sub Committee (CASC). All committees (Board of Directors, FSSC and CASC) met every term.

The FSSC is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and drafting the annual budget, including setting staffing levels. It also dealt with matters associated with personnel, premises and health and safety.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Directors have delegated such powers and functions they deemed appropriate to the Head Teacher for the internal organisation, day-to-day management and control of the academy (including the implementation of all policies approved by Directors and for the direction of the teaching and curriculum at the academy). The Head Teacher is supported by a Senior Leadership Team (SLT) comprising Assistant Head Teachers, Academy Business Manager, EYFS Leader and Year 1 and 2 Phase Leader. The SLT is collectively responsible for those powers and functions delegated to the Head Teacher.

The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Academy Pay Policy is reviewed by the Board of Directors on an annual basis. The academy follows the national School Teachers Pay and Conditions Document (STPCD) and National Joint Council for Local Government Services (NJCLGS) advice on pay awards. Pay awards for teachers and some support staff are dependent upon their performance against appraisal objectives, and subject to ratification by the Directors Pay Committee.

Connected organisations, including related party relationships

Friends of Chandlers Ridge was established in 2006. It is a registered charity (no. 1147163) with the object being to advance the education of pupils in the school in particular by:

- Developing effective relationships between the staff, parents and others associated with the school;
- Engaging in activities or providing facilities or equipment which support the school and advance the education of the pupils with charitable status.

All donations received from the PTA are declared through the statutory accounts. Further details are stated in note 2 to the Financial Statements.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects of the academy trust 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 a school offering a broad and balanced curriculum for pupils of different abilities; and
- to promote for the benefit of the inhabitants of Nunthorpe and the surrounding areas 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 for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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

OBJECTIVES AND ACTIVITIES (continued)

Objects and Aims (continued)

To achieve the primary objective of maintaining an independent school in England to be known as Chandlers Ridge Academy the Secretary of State agrees to make payments to the academy trust in accordance with the conditions and requirements set out in the Funding Agreement. The Funding Agreement requires that the academy:

- is an independent school;
- has a curriculum satisfying the requirements of section 78 of the Education Act 2002 (balanced and broadly based curriculum);
- provides education for pupils of different abilities;
- provides education for pupils who are wholly or mainly drawn from the area in which the school is situated, and
- is not an alternative provision academy.;

The Funding Agreement also specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The principal object and activity of the charitable company is the operation of Chandlers Ridge Academy to provide education for students of different abilities between the ages of 3 to 11 years with an emphasis on excellent teaching and learning.

- To provide children with a broad and balanced educational programme, with experience of the highest quality and to teach them.
- To acquire and apply skills and knowledge.
- To help the children to develop personal and social skills and to increase their moral and spiritual awareness.
- To provide a caring environment which encourages courtesy, responsibility and consideration for the needs of others.
- Development of sound relationships between school, families and the community.

Objectives, strategies and activities

The academy's main objectives are encompassed in its mission statement which is to lay the foundation which enables each child to develop as a responsible member of society. The academy aims to drive ambition and inspire success. To this end the objectives and the strategies used to achieve them include:

- To enable every child to derive pleasure from a sense of achievement and to develop full potential in all key stages
- To foster self-discipline within the individual, awareness of other people's feelings and an attitude of social responsibility
- To encourage the child's oral and written communication skills as well as self-expression in other modes
- To provide the means for the child to understand and enjoy mathematical skills and techniques to obtain numeracy
- To develop the opportunity to make reasoned judgements through observation and investigation and other skills and techniques

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11 years.

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

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on providing children with a broad and balanced educational programme, with experience of the highest quality and to teach them to acquire and apply skills and knowledge.

The main objectives of the academy during the year ended 31 August 2017 are summarised below:

- To maintain high standards of teaching
- Ensure all pupils achieve 2 levels progress
- Maintain agreed contingency fund
- Secure funding as follows
 - o Early years
 - o Pupil Premium/SEN
- Maintain sound financial practices

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy should undertake.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key performance indicators

In 2016/17 the academy established a set of KPIs around the following strategic goals:

Theme	Strategic Goal	Committee
Achievement	Children achieve their highest levels of potential and personal development across the curriculum.	Curriculum & Achievement
Curriculum	Children develop a love of learning and a passion to aim high as a result of a highly engaging and challenging curriculum.	Curriculum & Achievement
Leadership	Our learning community is highly ambitious and creative, with an uncompromising drive to ensure the highest levels of achievement for all children.	Board of Directors Finance & Staffing
Partnerships	Children thrive in an inclusive, supportive and highly cohesive learning community through home, school, community and global partnerships	Board of Directors

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

Within the performance assurance framework the SLT reported against the KPIs during the academic year to the Curriculum & Achievement and Finance & Staffing Sub Committees. The Head Teacher reported directly to the Board of Directors for Business As Usual and the Head Teacher and Academy Business Manager reported directly to Finance and Staffing with their Business As Usual reports. All outlined performance against targets using a RAG (Red, Amber and Green) rating, and any issues and risks to achieving the targets, which were escalated to the Board of Directors as required. The performance dashboard for each of the KPIs is summarised below.

Achievement KPIs 2016/17

Strategic Goal 1: Children achieve their highest levels of potential and personal development across the curriculum.				
Key Performance Indicator	Baseline	Autumn	Spring	Summer
SG1 KPI-1 90% of children meeting and exceeding Age Related Expectations (AREs) in English and Mathematics.	AMBER 78% KS2 82% EYFS GLD 87% PHONICS	AMBER 70-90% across school	AMBER 70-90% across school	AMBER 70-90% across school
SG1 KPI-2 70% Vulnerable and SEN/D children make good progress in English and Maths	AMBER 62%	GREEN 81%	AMBER 75%	GREEN Progress At KS2 PPG Reading 2.97 Writing —0.45 Maths 5.34 SEN Reading 2.89 Writing 0.48 Maths 4.99
SG1 KPI-3 Quality of teaching, learning and assessment is judged to be good to outstanding across the school.	No previous baseline	GREEN	AMBER	GREEN
SG1 KPI-4 Learning within lessons is challenging and enable excellent progress.	No previous baseline	AMBER	GREEN	GREEN KS2 progress Reading 1.39 Writing 1.59 Maths 3.99

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

Curriculum KPIs 2016/17

Strategic Goal 2: Children develop a love of learning and a passion to aim high as a result of a highly engaging and challenging curriculum.					
Key Performance Indicator	Baseline	Autumn	Spring	Summer	
SG2 KPI-1 High levels of attainment, progress and challenge, with English and Maths skills applied across the curriculum.	No previous baseline	GREEN	GREEN	GREEN	
SG2 KPI-2 Teachers and children are given flexibility to allow children's interests to be pursued through a creative planning approach and this is embedded across the curriculum.	No previous baseline	GREEN	GREEN	GREEN	

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

Leadership KPIs 2016/17

Strategic Goal 3: Our learning community is highly ambitious and creative, with an uncompromising drive to ensure the highest levels of achievement for all children.				
Key Performance Indicator	Baseline	Autumn	Spring	Summer
SG3 KPI-1 We are rated by OFSTED as an outstanding school.	REQUIRES IMPROVEMENT	RED	RED	RED
SG3 KPI-2 The Board of Directors evaluates their effectiveness regularly and systematically challenges senior leaders to ensure the strategic development of the school and governance is outstanding.	REQUIRES IMPROVEMENT	RED	RED	AMBER
SG3 KPI-3 Resources are well managed and spending is evaluated to achieve quality outcomes and value for money.	AMBER	GREEN	GREEN	GREEN

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

Partnership KPIs 2016/17

Strategic Goal 4: Children thrive in an inclusive, supportive and highly cohesive learning community through home, school, community and global partnerships.					
Key Performance Indicator	Baseline	Autumn	Spring	Summer	
SG4 KPI-1 Children's wellbeing and welfare needs are fully met through high quality advice, support and guidance to parents from school staff.	No previous baseline	GREEN	GREEN	GREEN	
SG4 KPI-2 Parents are provided with clear and timely information about their child's learning and progress and have a clear understanding of the new AREs.	No previous baseline	GREEN	GREEN	GREEN	
SG4 KPI-3 Homework model is innovative and exciting for children with appropriate challenge for all ages and stages of learning.	No previous baseline	GREEN	GREEN	GREEN	
SG4 KPI-4 Inter school collaboration between professionals and pupils is encouraged.	No previous baseline	GREEN	GREEN	GREEN	

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial Sustainability and Recovery Plan

In addition to working to our KPIs, the Board of Directors have worked with the Head Teacher and Business Manager on a financial sustainability plan. This has been developed and implemented throughout the year through the Quality Improvement Sub Committee.

The plan was developed in response to the projected falling roll at Chandlers Ridge Academy, the uncertainties of future funding for schools with the introduction of the National Funding Formula (NFF) and the increasing pay cost pressures on schools. The purpose of the plan was to ensure and prove continued value for money education for Chandlers Ridge Academy, involving:

- the efficient and effective use of additional resources
- prevention of a deficit budget
- preparation of a deficit recovery plan

The plan detailed a variety of strategic financial judgements culminating in a series of multi-year budget projections for Chandlers Ridge Academy. The budget projections spanned assumed worst and best case scenarios with options in between to inform future financial planning and decision making for our Directors. The implementation of the plan included the following actions in 2016/17:

- Identify a minimum of £17,000 pa further non pay savings.
- Work with DfE to investigate suitable Multi Academy Trusts with a view to transferring by September 2018 for cost effective school improvement and economies of scale.
- Achieve sustainable staffing levels through a staff restructure, including leadership, teaching and support.

Performance Summary 2017

The provisional school wide results data for this academic year 2016/17 is presented below. Although this data is provisional, teaching at the academy has been moderated by the Middlesbrough local authority in Early Years Foundation stage, KS1 and KS2 writing. As the other tests at KS2 are externally marked we have confidence in the validity of our results.

- The data shows that we have performed above the national average in every subject in every key stage.

Progress score

The progress that our Year 6 children have made between key stage 1 and 2 is excellent.

- Progress made in reading and writing is now in the top 25% of all schools in the country.
- Exceptionally, our maths progress is in the top 5% of ALL schools in the country.

This is the best level of progress between the key stages ever achieved by Chandlers Ridge Academy.

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DIRECTORS' REPORT (continued)
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ACHIEVEMENTS AND PERFORMANCE (continued)

Progress score (continued)

EYFS

	2016		2017	
	% School	% National	% School	% National
Good level of development	81.7	66.3	81.4	69.2

Year 1 Phonics Check

	2016		2017	
	% School	% National	% School	% National
Good level of development	87	81	85.2	Not available

End of Key Stage 1 data

	2016		2017	
	% Reaching Expected Standard	% Exceeding Expected Standard	% Reaching Expected Standard	% Exceeding Expected Standard
Reading	76.9	23.1	81	30
Writing	66.7	15.4	74.5	23.4
Maths	71.8	20.5	81	23.4
Reading, writing and maths combined			75	

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

Key Stage 2 data

	2016		2017	
	% Reaching Expected Standard	% Mastery	% Reaching Expected Standard	% Mastery
Reading	87.2	27.7	86.5	27
Writing	87.2	21.3	90.4	23.1
Maths	89.4	19.1	92.3	40
Grammar, punctuation and spelling	78.7	17	86.5	27
Reading, writing and maths combined	76.6	8.5	79	17.3

Going concern

From 1 November 2017 Chandlers Ridge Academy became part of Vision Academy Learning Trust. The Directors consider the trading activities of the school to be continuing and as such believe preparing the financial statements under the going concern basis to be reasonable. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

- In addition funding to a value of £6,165 was donated by the Friends of Chandlers Ridge in the year ending 31 August 2017
- LEGO equipment and resources to the value of £9,994 was obtained by Friends of Chandlers Ridge from The Big Lottery Fund
- Funding to the value of £10,000 was donated by The Big Lottery Fund for the installation of a crushed stone running track around the school field perimeter to participate in The Daily Mile.

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

FINANCIAL REVIEW (continued)

During the year ended 31 August 2017, total expenditure of £1,631,000 was in excess of recurrent grant funding from the DfE/EFSA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £50,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2017 the net book value of fixed assets was £2,359,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £236,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2017 of £2,212,000 comprising £2,125,000 of restricted funds and £87,000 of unrestricted funds.

Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds).

Unrestricted funds are held:

- To provide funds which can be designated to specific areas such as capital investment projects and staff restructuring costs.
- To cover ongoing costs in relation to the running of the academy including catering provisions and school trips.

The minimum level of reserves for the ongoing needs of the academy is determined by the Directors on an annual basis and reviewed regularly throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Although the Directors consider it prudent to hold unrestricted reserves in the general fund they also feel it is important that funding received during a financial year is spent for the benefit of the pupils on roll at that time. Directors have determined that the appropriate level of free cash reserves (total funds less the amount held in fixed assets and restricted funds) in any one year should be approximately £75,000. This amount is considered sufficient to cover in-year contingency plans for meeting costs arising from maternity; redundancy; unexpected emergencies and maintenance work on premises and to develop resources.

The academy's current level of free reserves are in surplus by £87,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy. The Directors continue to consider the additional activities related to the academy's objectives to which the excess reserves may be applied. For the financial year 2016/17 these were:

- The risk of unforeseen emergency or other unexpected need for funds;
- Covering uncertainty of future funding; and
- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.

Investment policy

The academy invests surplus funds in deposit accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

CHANDLERS RIDGE ACADEMY
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW (continued)

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The Directors have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

PLANS FOR FUTURE PERIODS

The most significant activity in the forthcoming year 2017/18 is to transfer the academy into Vision Academy Learning Trust (VALT). We anticipate that this will be complete by the end of the Autumn term.

Funds Held as Custodian Trustee on Behalf of Others

The academy trust and its Directors do not act as the custodian trustees of any other charity.

Disclosure of information to auditors

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 30 November 2017 and signed on its behalf by:

P Thwaites
Chair

CHANDLERS RIDGE ACADEMY
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Principal, 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 Chandlers Ridge Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 18 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
P Thwaites	18	18
C R Paleschi	11	16
M P Brown (Resigned 1 December 2016)	0	1
R Ciornei	14	16
C L Lidgard (Head Teacher)	18	18
L H Maycock (Resigned 6 December 2016)	1	1
C A O'Brien	14	16
P D Powell	18	18
L D Tomlinson	17	18
J Turner (Business Manager)	14	14

The main business items over the year for the Board of Directors were setting KPIs for the year, progressing the S106 issue with David Wilson Homes, post Ofsted inspection action plan, MAT option analysis and due diligence, receiving assurance reports from subcommittee chairs, ratifying admissions, attendance, complaints and equal opportunities policies.

The Finance and Staffing Subcommittee met four times during the year. The main business items over the year were receiving the prior year's annual accounts and audit, budget monitoring, sign off of tenders, pay and progression, 5 year forecast, recovery plan and staff restructure, parent partnership and receiving internal audit, health and safety and building condition reports.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
M P Brown (Chair) (Resigned 1 December 2016)	0	1
P Powell (Chair)	4	4
R Ciornei (from 16 March 2017)	2	2
C L Lidgard (Head Teacher)	4	4
C A O'Brien (from 16 March 2017)	2	2
C R Paleschi (from 16 March 2017)	1	2
P Thwaites	4	4
L D Tomlinson	3	4
J Turner (Business Manager)	4	4

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Governance (continued)

The Curriculum & Achievement Subcommittee met 3 times during the year. The main business items over the year were the school improvement plan and SEF, monitoring KPIs and pupil outcomes, including PPG and SEN characteristics. Policies ratified included SEN, Pupils with Medical Needs, Marking Policy, Safeguarding, Child Protection and Pupil Premium.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
L D Tomlinson (Chair)	3	3
C R Paleschi (Vice Chair)	1	3
M P Brown (Resigned 1 December 2016)	0	1
C A O'Brien	2	3
R Ciornei	2	3
C L Lidgard (Principal)	3	3
P Powell	3	3
P Thwaites	3	3

The Quality Improvement Sub Committee met 6 times during the year. The main business item over the year was the development of the five year forecast, financial sustainability and recovery plan.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
M P Brown (Resigned 1/12/16)	0	1
R Ciornei	6	6
C L Lidgard (Principal)	6	6
C A O'Brien	6	6
C R Paleschi	6	6
P Powell	6	6
P Thwaites	6	6
L D Tomlinson	6	6
J Turner (Business Manager)	6	6

Review of Value for Money

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

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

The Accounting Officer (AO) ensures that all staff work within the purchasing and tendering procedures set out in the Academy Finance Policy to ensure that competitive quotes and appropriate selection criteria are used when purchasing and placing new contracts. The AO works with the Business Manager to systematically review all cost areas, and has continued with the process of re tendering all major contracts where possible, however contracts over 1 year have not been reviewed due to the transition to VALT. The financial recovery plan set a target saving of a minimum of £17,000 on non-pay costs in 17/18. Through re tendering contracts and reviewing requirements around cleaning, curriculum IT, sport PPA cover we anticipate savings of £40,000 against our baseline 2016/17 non pay costs.

CHANDLERS RIDGE ACADEMY
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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control account/ bank reconciliations

On a termly basis, the auditors report to the Board of Directors through the Finance and Staffing Subcommittee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The range of reviews has been delivered in accordance the schedule of work as planned by the Finance and Staffing Subcommittee. There were no significant material control issues arising. All recommendations brought to the attention of the Directors have been addressed.

CHANDLERS RIDGE ACADEMY
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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the and 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 Directors on 30 November 2017 and signed on their behalf, by:

P Thwaites
Chair

L Lidgard
Accounting Officer

CHANDLERS RIDGE ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Changers Ridge Academy I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Directors 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 2016.

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

L Lidgard
Accounting Officer

30 November 2017

CHANDLERS RIDGE ACADEMY
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors (who act as governors of Chandlers Ridge Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the members of the Board of Directors on 30 November 2017 and signed on its behalf by:

P Thwaites
Chair

CHANDLERS RIDGE ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHANDLERS RIDGE ACADEMY**

Opinion

We have audited the financial statements of Chandlers Ridge Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

On 1 November 2017 Chandlers Ridge Academy, the only school in the trust, transferred to Vision Academy Learning Trust. As a result all of the identified assets and liabilities at that date transferred into the new trust.

Other information

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

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

CHANDLERS RIDGE ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHANDLERS RIDGE ACADEMY**

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 Directors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors 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 Directors 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 Directors 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 Directors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

**CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHANDLERS RIDGE ACADEMY**

Auditor's responsibilities for the audit of the financial statements

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

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

Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
Statutory Auditors

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
30 November 2017

CHANDLERS RIDGE ACADEMY
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHANDLERS
RIDGE ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chandlers Ridge Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chandlers Ridge Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chandlers Ridge Academy 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 Chandlers Ridge Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chandlers Ridge Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Chandlers Ridge Academy's funding agreement with the Secretary of State for Education dated 30 August 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

Approach (continued)

The work undertaken to draw to our conclusion includes;

- Review of governing body and committee minutes;
- Review of termly Responsible Officer 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;
- Obtain formal letters 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;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen LLP

Reporting Accountants

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

30 November 2017

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Donations and capital grants	2	-	6	46	52	77
Charitable activities	4	-	1,429	-	1,429	1,434
Other trading activities	3	81	-	-	81	69
TOTAL INCOME		<u>81</u>	<u>1,435</u>	<u>46</u>	<u>1,562</u>	<u>1,580</u>
EXPENDITURE ON:						
Academy educational operations		75	1,491	65	1,631	1,636
TOTAL EXPENDITURE	5	<u>75</u>	<u>1,491</u>	<u>65</u>	<u>1,631</u>	<u>1,636</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		6	(56)	(19)	(69)	(56)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	187	-	187	(222)
NET MOVEMENT IN FUNDS		<u>6</u>	<u>131</u>	<u>(19)</u>	<u>118</u>	<u>(278)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		81	(367)	2,380	2,094	2,372
TOTAL FUNDS CARRIED FORWARD		<u><u>87</u></u>	<u><u>(236)</u></u>	<u><u>2,361</u></u>	<u><u>2,212</u></u>	<u><u>2,094</u></u>

CHANDLERS RIDGE ACADEMY
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REGISTERED NUMBER: 08149765

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
FIXED ASSETS				
Tangible assets	12		2,359	2,380
CURRENT ASSETS				
Debtors	13	18		43
Cash at bank and in hand		193		287
		211		330
CREDITORS: amounts falling due within one year	14	(122)		(249)
NET CURRENT ASSETS			89	81
TOTAL ASSETS LESS CURRENT LIABILITIES			2,448	2,461
Defined benefit pension scheme liability	20		(236)	(367)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,212	2,094
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds excluding pension liability		2,361		2,380
Pension reserve		(236)		(367)
Total restricted income funds			2,125	2,013
Unrestricted income funds	15		87	81
TOTAL FUNDS			2,212	2,094

The financial statements on pages 28 to 49 were approved by the Directors, and authorised for issue, on 30 November 2017 and are signed on their behalf, by:

P Thwaites
Chair

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(96)	118
Cash flows from investing activities:			
Purchase of tangible fixed assets		(44)	(105)
Capital grants from DfE/EFA and other capital income		46	63
Net cash provided by/(used in) investing activities		<u>2</u>	<u>(42)</u>
Change in cash and cash equivalents in the year		(94)	76
Cash and cash equivalents brought forward		<u>287</u>	<u>211</u>
Cash and cash equivalents carried forward		<u><u>193</u></u>	<u><u>287</u></u>

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chandlers Ridge Academy constitutes a public benefit entity as defined by FRS 102.

On 1 November 2017, Chandlers Ridge Academy became part of Vision Academy Learning Trust. The Directors consider the trading activities of the school to be continuing and as such believe preparing the financial statements under the going concern basis to be reasonable.

1.2 FUND ACCOUNTING

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

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 and include grants from funders.

1.3 INCOME

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

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

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

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

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

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

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 GOING CONCERN

On 1 November 2017, Chandlers Ridge Academy became part of Vision Academy Learning Trust. The Directors consider the trading activities of the school to be continuing and as such believe preparing the financial statements under the going concern basis to be reasonable.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	over 40 years
Computer equipment	-	over 3 years
Long term leasehold land	-	over 125 years

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

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

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

1.8 INTEREST RECEIVABLE

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

1.9 TAXATION

The academy 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 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.

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

1.12 LIABILITIES AND PROVISIONS

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

1.13 FINANCIAL INSTRUMENTS

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the multi 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 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

CHANDLERS RIDGE ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £65,000.

Land – Land is held under a 125 year lease from Middlesbrough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	-	6	-	6	14
Capital Grants	-	-	46	46	63
	<u>-</u>	<u>6</u>	<u>46</u>	<u>52</u>	<u>77</u>
<i>Total 2016</i>	<u>-</u>	<u>9</u>	<u>68</u>	<u>77</u>	

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Sundry income	21	-	21	21
School trips	22	-	22	19
Catering	38	-	38	29
	<u>81</u>	<u>-</u>	<u>81</u>	<u>69</u>
<i>Total 2016</i>	<u>69</u>	<u>-</u>	<u>69</u>	

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,205	1,205	1,204
Pupil Premium	-	44	44	49
PE Teacher Grant	-	9	9	9
Other DfE/ESFA Grants	-	63	63	61
	<u>-</u>	<u>1,321</u>	<u>1,321</u>	<u>1,323</u>
Other government grants				
EYFS	-	99	99	104
SEN	-	7	7	4
Other Government Grants	-	2	2	1
	<u>-</u>	<u>108</u>	<u>108</u>	<u>109</u>
Other funding				
Other Grants	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
	<u>-</u>	<u>1,429</u>	<u>1,429</u>	<u>1,434</u>
<i>Total 2016</i>	<u>-</u>	<u>1,434</u>	<u>1,434</u>	

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	908	-	108	1,016	954
Support costs	269	158	188	615	682
	<u>1,177</u>	<u>158</u>	<u>296</u>	<u>1,631</u>	<u>1,636</u>
<i>Total 2016</i>	<u>1,106</u>	<u>206</u>	<u>324</u>	<u>1,636</u>	

In 2017, of the total expenditure, £75,000 (2016 - £134,000) was to unrestricted funds and £1,556,000 (2016 - £1,502,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. CHARITABLE ACTIVITIES

	2017 £000	2016 £000
DIRECT COSTS		
Wages and salaries	681	684
National insurance	67	57
Pension cost	160	104
Educational supplies	73	77
Staff development	3	2
Other direct costs	32	30
	1,016	954
SUPPORT COSTS		
Wages and salaries	226	214
National insurance	11	8
Pension costs	32	39
Depreciation	65	67
Net interest cost on pension scheme	7	4
Technology costs	21	27
Travel and subsistence	4	6
Maintenance of premises and equipment	23	21
Cleaning	39	59
Rates	10	10
Energy	14	18
Insurance	14	26
Catering	106	105
Occupancy costs	1	4
Other support costs	23	57
Governance Costs	19	17
	615	682
	1,631	1,636

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	65	67
Auditors' remuneration	5	6
Responsible Officer costs	3	2
Operating lease rentals	5	4
	13	79

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£000	£000
Wages and salaries	892	854
Social security costs	78	65
Operating costs of defined benefit pension schemes	192	143
	1,162	1,062
Supply staff costs	3	44
Staff restructuring costs	12	-
	1,177	1,106

Included in operating costs of defined pension schemes is a debit of £49,000 (2016: £10,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

Redundancy payments	12	-
	12	-

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

	2017	2016
	No.	No.
Teachers	15	14
Administration and support	25	27
Senior leadership team	6	6
	46	47
	46	47

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the directors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their service to the academy trust was £319,000 (2016: £320,000).

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. DIRECTORS' REMUNERATION AND EXPENSES

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

		2017	2016
		£000	£000
C L Lidgard, Accounting Officer	Remuneration	50-55	55-60
	Pension contributions paid	5-10	5-10
L H Maycock, Staff Director until 6 December 2016	Remuneration	10-15	40-45
	Pension contributions paid	0-5	5-10
J Turner	Remuneration	25-30	20-25
	Pension contributions paid	0-5	0-5

During the year, no Directors received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Directors received any reimbursement of expenses (2016 - £NIL to Directors).

10. DIRECTORS' AND OFFICERS' INSURANCE

The academy 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 Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme.

11. NET INTEREST COST ON PENSION SCHEME

	2017	2016
	£000	£000
Interest income on pension scheme assets	10	15
Interest on pension scheme liabilities	(17)	(19)
	<u>(7)</u>	<u>(4)</u>

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

12. TANGIBLE FIXED ASSETS

	Capital WIP £000	Long term leasehold property £000	Computer equipment £000	Total £000
COST				
At 1 September 2016	96	2,478	47	2,621
Additions	-	39	5	44
Transfer between classes	(96)	96	-	-
	<u>-</u>	<u>2,613</u>	<u>52</u>	<u>2,665</u>
At 31 August 2017	-	2,613	52	2,665
DEPRECIATION				
At 1 September 2016	-	208	33	241
Charge for the year	-	57	8	65
	<u>-</u>	<u>265</u>	<u>41</u>	<u>306</u>
At 31 August 2017	-	265	41	306
NET BOOK VALUE				
At 31 August 2017	<u>-</u>	<u>2,348</u>	<u>11</u>	<u>2,359</u>
At 31 August 2016	<u>96</u>	<u>2,270</u>	<u>14</u>	<u>2,380</u>

13. DEBTORS

	2017 £000	2016 £000
Trade debtors	1	1
VAT recoverable	5	11
Prepayments and accrued income	12	31
	<u>18</u>	<u>43</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000	2016 £000
Trade creditors	8	50
Other taxation and social security	21	19
Other creditors	18	15
Accruals and deferred income	75	165
	<u>122</u>	<u>249</u>

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2017 £000	2016 £000
DEFERRED INCOME		
Deferred income at 1 September 2016	38	30
Resources deferred during the year	42	38
Amounts released from previous years	(38)	(30)
	42	38
Deferred income at 31 August 2017	42	38

Deferred income relates to Devolved Formula Capital and Universal Infant Free School Meals, which straddle the academic year end.

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
UNRESTRICTED FUNDS					
Unrestricted funds	81	81	(75)	-	87
	81	81	(75)	-	87
RESTRICTED FUNDS					
GAG	-	1,205	(1,205)	-	-
SEN funding	-	7	(7)	-	-
Pupil Premium	-	44	(44)	-	-
Other DfE/ESFA Grants	-	63	(63)	-	-
PE Teacher Grant	-	9	(9)	-	-
Other Government Grants	-	2	(2)	-	-
Donations	-	6	(6)	-	-
EYFS	-	99	(99)	-	-
Pension reserve	(367)	-	(56)	187	(236)
	(367)	1,435	(1,491)	187	(236)
	(367)	1,435	(1,491)	187	(236)
RESTRICTED FIXED ASSET FUNDS					
Legacy	2,112	-	(51)	-	2,061
Devolved Formula Capital	21	8	(5)	-	24
Academies Capital Maintenance Fund	159	-	(5)	-	154
Capital expenditure from GAG	28	-	(2)	-	26
MBC	55	28	(2)	-	81
Big Lottery Fund	-	10	-	-	10
Friends of Chandlers Ridge	5	-	-	-	5
	2,380	46	(65)	-	2,361
Total restricted funds	2,013	1,481	(1,556)	187	2,125
Total of funds	2,094	1,562	(1,631)	187	2,212

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
UNRESTRICTED FUNDS						
Unrestricted funds	146	69	(134)	-	-	81
	<u>146</u>	<u>69</u>	<u>(134)</u>	<u>-</u>	<u>-</u>	<u>81</u>
RESTRICTED FUNDS						
GAG	-	1,204	(1,177)	(27)	-	-
SEN funding	-	4	(4)	-	-	-
Pupil Premium	-	49	(49)	-	-	-
Other DfE/ESFA Grants	-	61	(61)	-	-	-
PE Teacher Grant	-	9	(9)	-	-	-
Other Government Grants	-	1	(1)	-	-	-
Donations	-	11	(11)	-	-	-
EYFS	-	104	(104)	-	-	-
Pension reserve	(126)	-	(19)	-	(222)	(367)
	<u>(126)</u>	<u>1,443</u>	<u>(1,435)</u>	<u>(27)</u>	<u>(222)</u>	<u>(367)</u>
RESTRICTED FIXED ASSET FUNDS						
Legacy	2,162	-	(50)	-	-	2,112
Devolved Formula Capital	18	8	(5)	-	-	21
Academies Capital Maintenance Fund	163	-	(4)	-	-	159
Capital expenditure from GAG	7	-	(6)	27	-	28
MBC	-	55	-	-	-	55
Friends of Chandlers Ridge	2	5	(2)	-	-	5
	<u>2,352</u>	<u>68</u>	<u>(67)</u>	<u>27</u>	<u>-</u>	<u>2,380</u>
Total restricted funds	<u>2,226</u>	<u>1,511</u>	<u>(1,502)</u>	<u>-</u>	<u>(222)</u>	<u>2,013</u>
Total of funds	<u><u>2,372</u></u>	<u><u>1,580</u></u>	<u><u>(1,636)</u></u>	<u><u>-</u></u>	<u><u>(222)</u></u>	<u><u>2,094</u></u>

CHANDLERS RIDGE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy including salaries and related costs, overheads, repairs and maintenance and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA Grants are Universal Infant Free School Meals and rates relief.

SEN funding and other governments grants are received from Middlesbrough Council to cover Special Education Needs.

Early Years Foundation Stage (EYFS) is funding to be spent on nursery and reception resources. The PE Grant is funding to be spent on the provision of sports.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful life of the associated assets.

Unrestricted funds are resources available for the academy to use as it sees fit.

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	2,359	2,359
Current assets	87	122	2	211
Creditors due within one year	-	(122)	-	(122)
Provisions for liabilities and charges	-	(236)	-	(236)
	<u>87</u>	<u>(236)</u>	<u>2,361</u>	<u>2,212</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	2,380	2,380
Current assets	81	249	-	330
Creditors due within one year	-	(249)	-	(249)
Provisions for liabilities and charges	-	(367)	-	(367)
	<u>81</u>	<u>(367)</u>	<u>2,380</u>	<u>2,094</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(69)	(56)
Adjustment for:		
Depreciation charges	65	67
Decrease in debtors	25	22
(Decrease)/increase in creditors	(127)	129
Capital grants from DfE and other capital income	(46)	(63)
Defined benefit pension scheme cost less contributions payable	49	15
Defined benefit pension scheme finance cost	7	4
	(96)	118
Net cash (used in)/provided by operating activities	(96)	118

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash in hand	193	287
Total	193	287

19. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £000	2016 £000
Contracted for but not provided in these financial statements	-	23
	-	23

20. PENSION COMMITMENTS

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

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

Contributions amounting to £18,000 were payable to the schemes at 31 August 2017 (2016 - £15,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £111,000 (2016 - £104,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £44,000 (2016 - £40,000), of which employer's contributions totalled £32,000 (2016 - £29,000) and employees' contributions totalled £12,000 (2016 - £11,000). The agreed contribution rates for future years are 15.6% for employers and 5.5 - 12.5% for employees.

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

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

20. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.00 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %
Commutation of pensions to lump sums	80.00 %	80.00 %

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

	2017	2016
Retiring today		
Males	22.8	23.1
Females	24.9	25.6
Retiring in 20 years		
Males	25.0	25.3
Females	27.2	28.0

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	841	807
Discount rate -0.1%	879	846
Mortality assumption - 1 year increase	834	800
Mortality assumption - 1 year decrease	886	852
CPI rate +0.1%	873	838
CPI rate -0.1%	848	814

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	493	392
Government bonds	-	3
Corporate bonds	1	3
Property	40	34
Cash	80	27
Other	10	-
Total market value of assets	624	459

The actual return on scheme assets was £35,000 (2016 - £62,000).

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2017 £000	2016 £000
Current service cost	(81)	(44)
Interest income	10	15
Interest cost	(17)	(19)
	<hr/>	<hr/>
Total	(88)	(48)
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £000	2016 £000
Opening defined benefit obligation	826	502
Current service cost	81	44
Interest cost	17	19
Employee contributions	12	11
Actuarial (gains)/losses	(162)	269
Benefits made	86	(19)
	<hr/>	<hr/>
Closing defined benefit obligation	860	826
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £000	2016 £000
Opening fair value of scheme assets	459	376
Interest income	10	15
Actuarial losses	25	47
Employer contributions	32	29
Employee contributions	12	11
Benefits made	86	(19)
	<hr/>	<hr/>
Closing fair value of scheme assets	624	459
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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21. OPERATING LEASE COMMITMENTS

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

	2017 £000	2016 £000
AMOUNTS PAYABLE:		
Within 1 year	3	4
Between 1 and 5 years	7	11
Total	<u>10</u>	<u>15</u>

22. RELATED PARTY TRANSACTIONS

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

During the period, the academy entered into transactions with Middlesbrough Borough Council, an organisation in which P Thwaites, a Director, is a manager in the Services department. The academy incurred costs in respect of caretaking and cleaning services from Middlesbrough Borough Council totalling £59,000 (2016: £59,000). Included within creditors was an outstanding balance of £nil (2016: £29,000). Included within debtors was an outstanding balance of £1,000 (2016: £nil).

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