

RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	Julie Grieve Jane Craig Sara Wakelam Ashley Hewitt
Trustees	Julie Grieve, Chair of Trustees Jane Craig, Vice Chair Mike Bennett, Head Teacher Sara Wakelam Ashley Hewitt Catherine Stewart Imogen Edmunds (resigned 3 July 2017) Nadia Rashid (resigned 1 November 2017)
Company registered number	08284164
Company name	Ridgeway Academy Trust
Principal and registered office	Evesham Road Astwood Bank Redditch Worcestershire B96 6BD
Accounting Officer	Mike Bennett
Senior management team	Mike Bennett, Head Teacher/Accounting Officer Tom Clarkson, Assistant Head Teacher Clare Skinner, School Business Manger Linda Tait, Deputy Head Teacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank PO Box 100 BX1 1LT

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The Annual Report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 9 to 13 in Astwood Bank, Redditch as well as from the locality across the Warwickshire border. It has a pupil capacity of 480 and had a roll of 457 in the school census in October 2016.

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 Ridgeway Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Ridgeway Academy.

Details of the Trustees who served throughout the year, except as noted, 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 Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £3,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

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

- up to 3 Trustees who are appointed by members.
- up to 2 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- any number of staff Trustees appointed by Trustee board.
- any number of Community Trustees who are appointed by the Trustee board.
- the Head Teacher who is treated for all purposes as being an ex officio Governor.

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. During an initial meeting with the Chair of Governors, new Governors will look at documentation regarding the context of Ridgeway Academy, the role of governors and expectations around time commitment and confidentiality, the structure of the Governing Body as well as the Code of Conduct. Initial questions from the new Governor are answered and the school uses a bundle of resources from 'The Key' for the new Governor to work through at their own pace referring to their mentor for support as needed.

Organisational Structure

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

A flat structure is in operation and there are no sub-committees in order to ensure that all Trustees have a holistic view of the school and understand the implications of all strategic decisions made

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Head Teacher and Clerk to the Trustees, to approve the School Development Plan and budget.

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

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

The Head Teacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

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

Connected Organisations, including Related Party Relationships

Polka Dot Nurseries has use of the Academy's facilities and there is a shared use agreement between it and the Academy. Polka Dot Nurseries have given the school notice to quit and will be replaced with Steps2Sport from 1 September 2017.

The Academy has strong collaborative links with 4 feeder primary schools and runs regular events for pupils from the feeder schools to attend so that they experience the resources and equipment available at Ridgeway Academy.

There are no related parties which either control or significantly influence the decisions and operations of Ridgeway Academy Trust. There is a formal Parent Teacher Association called Friends of Ridgeway associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The principal object and activity of the Charitable Company is the operation of Ridgeway Academy to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2017 are summarised below:

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

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

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

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan (SDP) which is available from the Academy Office. Improvement focuses identified for this year include:

Priority 1: To raise the overall attainment/levels of pupil progress

SDP1A

- For KS2 pupils to achieve a combined grade of 60%
- For Pupil Premium (PP) pupils to achieve a combined grade within 25% of the rest of the cohort

SDP1B

- Every child in KS3 will maintain or exceed their flight pathway predicted on their achievements in KS2 SATs

SDP1C

- All teaching staff to use data supplied by Go 4 Schools to inform their planning and target intervention

SDP1D

- To raise achievement of English across the school to ensure that the majority of pupils attain highly and make progress in English

Priority 2: Relevant curriculum at KS4 and GCSE

SDP2A

- Options eligibility criteria, policy and curriculum construction will be secure
- Staff will be ready and secure to deliver the appropriate specifications to the appropriate age ranges and abilities

SDP2B

- Schemes of work for KS4 are complete
- Levels and assessment at KS3 and KS4 will follow the new GCSE specifications

Priority 3: To secure mid-term future for the school

SDP3A

- Create a MAT with like-minded schools
- Ensure the stability of the Governing Body (GB) and fully utilise the talents of individual governors

SDP3B

- Ensure that all stakeholders have a clear understanding of the direction that the school is taking and their child's part in that

Priority 4: To ensure that pupils have opportunities to make progress in all aspects of their learning

SDP4A

- The creation of a pastoral structure to support pupils
- Embed pupil leadership in the school

SDP4B

- Giving pupils more opportunities to take a more active role in learning. For example, having a clear focus on progress through self-evaluation and a growth mind set

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

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

- Robust self-evaluation completed termly
- Fortnightly pupil progress meetings
- Faculty based school improvement monitoring schedule in place with improved reporting structure
- Implement new Pastoral Leaders in school
- Support packages in place for underperforming staff
- Targeted professional development for all staff
- Monitoring of planned intervention impact
- Ensuring pupils with higher learning potential are appropriately challenged once identified
- New Faculty structure embedded
- Clear communication with all stakeholders around secondary status and Options for GCSEs
- Continue to work with the ESFA to identify potential partners
- Open school up to First and Primary Schools
- Moderation and standardisation sessions to be completed
- Further development of outdoor learning to include Thrive
- Staff clarity around achievement trends and gap analysis and how this relates their own pupils' data using Go 4 Schools
- Implement strengthened approach to homework via Show My Homework
- Improve communication with parents via the introduction of ParentPay
- Finalisation for GCSE exam boards and investment in resources to deliver this: equipment and CPD for staff
- Succession planning for SENCo

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Astwood Bank and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and developing schools, offering a broad and balanced curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. The school also provides facilities to a local faith group.

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

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fifth year of operation. The total number of pupils in the year ended 31 August 2017 was 457.

SATs – Ridgeway continues to generate results that place us as the school with the best combined SATs results in Redditch in 2017. Our combined results were also in line with the local authority and national averages.

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

Results for pupils meeting national expectations are:

- Combined 61.5% (7.3% working at greater depth)
- Reading 69.7% (22.9% working at greater depth)
- Writing 81.7% (11% working at greater depth)
- Maths 86.2% (27.5% working at greater depth)

Parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths and trips out of school.

Ridgeway continues to work with local community groups, this year pupils have participated in a personal finance project in conjunction with Jestaminute. Two of our pupils were elected Carnival Queen and Princess for the Astwood Bank Carnival. The school was further represented at the Carnival through a float which won third prize and also in creating shields to decorate the Evesham Road for the event.

Pupils in Year 8 attended the Skills Show at the NEC in Birmingham, coaches were paid for by Mr Dixon to enable the pupils to consider future career paths open to them.

Ridgeway's new relationship with HVG-Blomberg has continued to grow with 20 pupils from Germany visiting the school for a week long exchange in January 2017. Fifteen Ridgeway pupils returned to Blomberg in the summer of 2017 to cement the cultural and academic links between the two schools with exchanges already planned for the new academic year.

Ridgeway has become a fellow of the Schools of Tomorrow (SoTo). This group recognises the important contribution our pupils can and should make to our work, and we have looked for ways to involve them in some way at every stage. This has evolved into an approach to pupil-led research, which is integral to the Fellowship model operated by SoTo. Staff and pupils have attended a number of conferences and meetings and contributed to how to drive this further in our school and other SoTo schools.

The Ogden Trust, a national science charity, has its Primary HQ located in Ridgeway Academy. Ogden Trust are a charitable trust that exists to promote the teaching and learning of physics.

Ridgeway Academy was awarded with the Gold Primary Science Quality Mark this year through the evaluation, strengthening and celebration of our science provision.

A group of Year 8 boys took part in Ridgeway's second annual international Rugby event, this year in Cardiff. Ridgeway pupils continue to demonstrate a high level of sporting acumen, more details of which can be found in our Sports & PE grant report on the school website. Pupils from Ridgeway have represented clubs, county and nationally in athletics, swimming and archery.

During the year the Academy completed the refurbishment of half of the heating across the school as well as the removal of asbestos from the Boiler House.

The boys toilet blocks on the north side of the main building were refurbished during the year at a cost of around £10,000.

Ridgeway has invested heavily in its main kitchen this year redecorating and rebranding the area in conjunction with Alliance in Partnership, replacing the floor throughout the kitchen and upgrading the ovens and fridges to ensure that the increasing number of pupils in the school continue to receive a high quality food offer. A total spend of around £25,000 has been invested in this upgrade project.

During the year, the Academy was again unsuccessful in securing a capital grant to replace the old music block that is in an increasingly poor condition. The school has invested funds in order to give the block a 'facelift' and will pursue a capital grant again in 2017/18 to replace the block.

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

Ridgeway was successful in receiving a National Lottery grant of just under £9,000 plus a grant from Tesco of £2,000 in order to develop 'The Garden' at the front of the school which will be used alongside Shine, Thrive, Forest School and BTEC Animal Care.

Continuing professional development for staff has been very successful with the Deputy Head Teacher completing a Master's degree in Education Leadership and a Head of Faculty completing a SENCo qualification. One of our Teaching Assistants also became an accredited Thrive practitioner and is midway through the completion of her Forest School qualification.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £267,359 was carried forward representing 14.8% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016/17 were 460, maintaining numbers seen in 2015. It is anticipated that this number will continue to rise as the school transitions to secondary status with the aim of reaching steady state numbers in the academic year of 2020.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016/17 this was 87.9%, compared to 88% in 2015/16.

The following KPI's were set at the start of the year:

	Target	Actual
GAG carry forward %	0%	20.6%
Total unrestricted funds balance	£150,000	£115,146
Pupil to teacher ratio	20	17.7
Teaching to non-teaching staff ratio	1:1.25	1:1.15
Student attendance %	98	96
Exam Success	65%	61.5%
Total income per pupil	£4,000	£4,753
Total GAG per pupil	£3,600	£3,685
Ratio of GAG to total income	95%	78%
Staff costs per pupil	£3,500	£3,241
Ratio of staff costs to income	75%	68%
Ratio of pension cost to staff costs	25%	21%
Total learning resources costs per pupil	£250	£260
Capital spend per pupil in the year	£500	£254
Property repair costs per pupil	£220	£229
Cash balances at the year end	£500,000	£582,556

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

The Academy also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2017, the Academy received total income of £2,172,325 and incurred total expenditure of £2,102,398. The excess of income over expenditure (excluding restricted fixed asset fund) for the year was £25,160.

At 31 August 2017 the net book value of fixed assets was £4,699,951 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31st March 2013 at £3,472,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Balance Sheet with details in Note 21 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £4,926,635, although £4,818,926 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £107,709 (representing £115,146 unrestricted funds, £337,563 unspent GAG and £385,000 deficit pension reserve) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1 month of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £20,000 has been earmarked to use as a contribution towards the ESFA bid for a replacement Music Block
- £20,000 has been earmarked to use as a contribution towards the ESFA bid for an extension to the current Hall facilities in the school

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Head Teacher and SBM within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

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

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 86% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a peer reviewer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

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

Whilst the Academy is well subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. Furthermore, with the Academy becoming a secondary school, until the academic year commencing September 2020 the school will be operating with one more year group than it will be funded for.

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

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

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community. This includes the continued efforts to form a Multi Academy Trust with like-minded schools in the area.

Following the confirmation of a successful capital funding bid, the Academy will commence the replacement of the main block north side roof in the coming year.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12th December 2017 and signed on the board's behalf by:

**Julie Grieve
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Julie Grieve, Chair of Trustees	6	6
Jane Craig, Vice Chair	6	6
Ashley Hewitt	5	6
Catherine Stewart	5	6
Imogen Edmunds	5	5
Nadia Rashid	6	6
Sara Wakelam	6	6
Mike Bennett	6	6

Key changes and challenges

This year the governing body has continued to operate as a flat structure (with no sub-committees) whereby all governors attend all meetings which are held every half term. This enables the governing body to have a holistic view of the school and the wider implications of any strategic decisions that are made. Individual governors are linked to key areas of the school both educational and operational and these individuals meet regularly with key staff within the school feeding back to the whole governing body in meetings.

The key challenges for governors this academic year has been the process around secondary conversion to ensure that the school is ready to deliver GCSEs in the summer of 2020. The governing body has also spent the year with its continued aim to create a Multi Academy Trust with like-minded schools and conversations regularly take place with the ESFA, DfE and a number of schools both locally and nationally.

Governance Review

At the end of the academic year 2015/16 the self-evaluation questionnaire answered by all governors pointed to a major area where development was felt to be necessary, that of link governor. While a few governors had built productive relationships with staff others had hardly started. The chair and vice chair met to produce a framework to be followed by all in relation to both curriculum and non-curriculum responsibilities. This has resulted in everyone observing lessons and having email or face to face discussions with staff about their curriculum area, especially with regard to our change to secondary status. Meetings have been held with the SBM regarding finance, premises, health and safety, HR, and with relevant SLT regarding data, safeguarding and equality. Governors are keen that this initiative should continue.

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The flat structure for meetings is now embedded and popular with all governors who feel more fully informed about all aspects of their role and responsibilities. Meetings are slightly longer than previously but with livelier discussion and good preparation beforehand.

We also identified the need to ensure that governors understand the changes to Ofsted and work is ongoing in that area. We tend to evaluate our needs on a regular basis at every meeting but would propose to put out a formal self-evaluation questionnaire in the summer term.

REVIEW OF VALUE FOR MONEY

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

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

Ridgeway Academy has made no changes to the providers of service level agreements this year other than transferring communication and online payments for parents to ParentPay thus streamlining the process and using one supplier for both functions.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ridgeway Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees 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.

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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

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

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

On a quarterly basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviewer has delivered their schedule of work as planned, and no material control issues have arisen as a result of the reviewer's work.

REVIEW OF EFFECTIVENESS

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

- the work of the peer reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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

Julie Grieve
Chair of Trustees

Mike Bennett
Accounting Officer

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ridgeway Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

Mike Bennett
Accounting Officer

Date: 12 December 2017

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

**Julie Grieve
Chair of Trustees**

Date: 12 December 2017

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Ridgeway Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities, 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 Trust'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 Trust 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

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

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

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

David Butler FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date:

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 12 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ridgeway Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF RIDGEWAY ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Ridgeway Academy Trust's funding agreement with the Secretary of State for Education dated 27 July 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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

David Butler FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date:

RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	16,515	120	118,975	135,610	27,875
Charitable activities	5	48,272	1,976,601	-	2,024,873	1,993,310
Other trading activities	3	11,181	-	-	11,181	11,644
Investments	4	661	-	-	661	1,146
TOTAL INCOME		76,629	1,976,721	118,975	2,172,325	2,033,975
EXPENDITURE ON:						
Raising funds		1,294	-	-	1,294	8,852
Charitable activities		80,725	1,836,875	183,504	2,101,104	2,007,633
TOTAL EXPENDITURE	6	82,019	1,836,875	183,504	2,102,398	2,016,485
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	(5,390)	139,846	(64,529)	69,927	17,490
		-	(109,296)	109,296	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(5,390)	30,550	44,767	69,927	17,490
Actuarial gains/(losses) on defined benefit pension schemes	22	-	295,000	-	295,000	(250,000)
NET MOVEMENT IN FUNDS		(5,390)	325,550	44,767	364,927	(232,510)
RECONCILIATION OF FUNDS:						
Total funds brought forward		120,536	(332,987)	4,774,159	4,561,708	4,794,218
TOTAL FUNDS CARRIED FORWARD		115,146	(7,437)	4,818,926	4,926,635	4,561,708

RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08284164

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	As restated 2016 £
FIXED ASSETS					
Tangible assets	13		4,699,951		4,767,563
CURRENT ASSETS					
Debtors	14	131,387		74,478	
Cash at bank and in hand		582,556		431,269	
			<u>713,943</u>	<u>505,747</u>	
CREDITORS: amounts falling due within one year	15	(102,259)		(68,602)	
NET CURRENT ASSETS			<u>611,684</u>		437,145
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,311,635</u>		5,204,708
Defined benefit pension scheme liability	22		(385,000)		(643,000)
NET ASSETS			<u><u>4,926,635</u></u>		<u><u>4,561,708</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	377,563		310,013	
Fixed asset funds	18	4,818,926		4,774,159	
Restricted funds excluding pension liability		5,196,489		5,084,172	
Pension reserve		(385,000)		(643,000)	
Total restricted funds			<u>4,811,489</u>		4,441,172
Unrestricted funds	18		115,146		120,536
TOTAL FUNDS			<u><u>4,926,635</u></u>		<u><u>4,561,708</u></u>

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

Julie Grieve
Chair of Trustees

The notes on pages 25 to 43 form part of these financial statements.

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2017 £	As restated 2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>158,410</u>	<u>140,905</u>
Cash flows from investing activities:			
Interest receivable		661	1,127
Purchase of tangible fixed assets		(115,892)	(293,874)
Capital grants from DfE/ESFA		<u>108,108</u>	<u>10,053</u>
Net cash used in investing activities		<u>(7,123)</u>	<u>(282,694)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>431,269</u>	<u>573,058</u>
Cash and cash equivalents carried forward		<u><u>582,556</u></u>	<u><u>431,269</u></u>

The notes on pages 25 to 43 form part of these financial statements.

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the 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.

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

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 Trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from funders.

Investment income, gains and losses are allocated to the appropriate fund.

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

**RIDGEWAY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

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

1.5 GOING CONCERN

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £3,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	-	50 years, straight line
Leasehold land	-	125 years, straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

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.

1.7 OPERATING LEASES

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

1.8 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 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.

1.10 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. ACCOUNTING POLICIES (continued)

1.11 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

1. ACCOUNTING POLICIES (continued)

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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy Trust 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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:

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

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Donations	16,515	120	-	16,635	17,822
Capital Grants	-	-	118,975	118,975	10,053
	<u>16,515</u>	<u>120</u>	<u>118,975</u>	<u>135,610</u>	<u>27,875</u>
<i>Total 2016</i>	<u>17,822</u>	<u>-</u>	<u>10,053</u>	<u>27,875</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Lettings	6,932	-	6,932	8,102
Trip income	4,249	-	4,249	3,112
Other	-	-	-	430
	<u>11,181</u>	<u>-</u>	<u>11,181</u>	<u>11,644</u>
<i>Total 2016</i>	<u>11,644</u>	<u>-</u>	<u>11,644</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Bank interest	661	-	661	1,146
<i>Total 2016</i>	<u>1,146</u>	<u>-</u>	<u>1,146</u>	

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,684,176	1,684,176	1,651,063
Other DfE/ESFA grants	-	119,364	119,364	115,512
Pupil Premium	-	125,857	125,857	115,665
	<u>-</u>	<u>1,929,397</u>	<u>1,929,397</u>	<u>1,882,240</u>
Other Government grants				
Other Government grants non capital	-	16,897	16,897	21,445
High Needs	-	30,307	30,307	14,068
	<u>-</u>	<u>47,204</u>	<u>47,204</u>	<u>35,513</u>
Other funding				
Internal catering income	4,300	-	4,300	2,226
School trip income	43,972	-	43,972	73,331
	<u>48,272</u>	<u>-</u>	<u>48,272</u>	<u>75,557</u>
	<u>48,272</u>	<u>1,976,601</u>	<u>2,024,873</u>	<u>1,993,310</u>
<i>Total 2016</i>	<u>72,801</u>	<u>1,920,509</u>	<u>1,993,310</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2017	2017	2017	2017	2016
	£	£	£	£	£
Expenditure on fundraising trading	-	-	1,294	1,294	8,852
Activities:					
Direct costs	1,098,399	158,528	337,299	1,594,226	1,531,784
Support costs	382,879	56,014	67,985	506,878	388,170
	<u>1,481,278</u>	<u>214,542</u>	<u>406,578</u>	<u>2,102,398</u>	<u>1,928,806</u>
<i>Total 2016</i>	<u><u>1,460,580</u></u>	<u><u>244,499</u></u>	<u><u>223,727</u></u>	<u><u>1,928,806</u></u>	

7. DIRECT COSTS

	Total	Total
	2017	2016
	£	£
Pension finance cost	6,450	6,600
Educational supplies	92,120	42,720
Examination fees	509	2,683
Staff development	7,470	12,891
Other costs	16,011	10,535
Supply teachers	61,453	47,527
Recruitment and other staff costs	565	3,235
Technology costs	22,693	4,778
School trip expenditure	30,297	84,440
Wages and salaries	942,304	989,548
National insurance	89,012	77,410
Pension cost	166,814	188,420
Depreciation	158,528	148,486
	<u>1,594,226</u>	<u>1,619,273</u>
<i>At 31 August 2016</i>	<u><u>1,616,224</u></u>	

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

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance cost	8,550	8,400
Educational supplies	-	1,901
Recruitment and other staff costs	23,094	6,188
Maintenance of premises and equipment	31,038	36,917
Cleaning	12,017	10,502
Rent and rates	8,993	17,999
Heat and light	25,234	24,112
Insurance	13,102	18,664
Security and transport	23,015	6,483
Catering	20,841	10,716
Technology costs	3,804	1,663
Office overheads	16,756	19,600
Legal and professional	57,985	38,962
Educational consultancy	6,333	-
Governance	9,445	8,140
Wages and salaries	148,257	132,412
National insurance	6,588	5,902
Pension cost	66,850	19,361
Depreciation	24,976	20,438
	506,878	388,360
	391,409	
<i>At 31 August 2016</i>		

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	183,504	168,924
Operating lease costs	8,582	3,854
Auditors remuneration - audit costs	7,575	7,575
Auditors remuneration - non-audit	1,845	1,845

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10. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,090,561	1,121,960
Social security costs	95,600	83,312
Operating costs of defined benefit pension schemes	233,664	207,781
	<u>1,419,825</u>	<u>1,413,053</u>
Supply teacher costs	61,453	47,527
	<u>1,481,278</u>	<u>1,460,580</u>

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

	2017	2016
	No.	No.
Teachers	23	23
Support Staff	32	34
Management	4	5
	<u>59</u>	<u>62</u>

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	21	21
Support Staff	20	15
Management	4	5
	<u>45</u>	<u>41</u>

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

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

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £217,280 (2016: £292,803).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

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11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows; M Bennett: remuneration £65,000 - £70,000 (2016: £70,000 - £75,000), employer's pension contributions £10,000 - £15,000 (2016: £15,000 - £20,000).

Other related party transactions involving the trustees are set out in note 24.

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

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

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,450 (2016: £1,590).

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
COST					
At 1 September 2016	5,090,815	45,302	21,824	14,195	5,172,136
Additions	80,752	4,757	30,383	-	115,892
	<u>5,171,567</u>	<u>50,059</u>	<u>52,207</u>	<u>14,195</u>	<u>5,288,028</u>
DEPRECIATION					
At 1 September 2016	378,444	17,913	5,079	3,137	404,573
Charge for the year	158,528	15,576	6,561	2,839	183,504
	<u>536,972</u>	<u>33,489</u>	<u>11,640</u>	<u>5,976</u>	<u>588,077</u>
NET BOOK VALUE					
At 31 August 2017	<u>4,634,595</u>	<u>16,570</u>	<u>40,567</u>	<u>8,219</u>	<u>4,699,951</u>
At 31 August 2016	<u>4,712,371</u>	<u>27,389</u>	<u>16,745</u>	<u>11,058</u>	<u>4,767,563</u>

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14. DEBTORS

	2017	2016
	£	£
Prepayments and accrued income	58,920	45,898
VAT recoverable	72,467	28,580
	<u>131,387</u>	<u>74,478</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	As restated 2016
	£	£
Trade creditors	36,815	35,914
Other taxation and social security	24,142	25,113
Other creditors	22,207	-
Accruals	19,095	7,575
	<u>102,259</u>	<u>68,602</u>

16. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at fair value through income and expenditure	582,556	431,269
Financial assets measured at amortised cost	30,752	33,827
	<u>613,308</u>	<u>465,096</u>
Financial liabilities measured at amortised cost	<u>78,177</u>	<u>43,489</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets measured at amortised cost comprise accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

17. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the recognition of the school fund income and expenditure incurred for the period to 31 August 2016. The impact of the prior year adjustment was increased income of £73,331, an increased expense of £84,440 and a reduction in creditors of £10,614.

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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	120,536	76,629	(82,019)	-	-	115,146
RESTRICTED FUNDS						
General Annual Grant (GAG)	310,013	1,803,660	(1,632,074)	(109,296)	-	372,303
Higher Needs funding	-	30,307	(30,307)	-	-	-
Pupil Premium (PP)	-	125,857	(125,857)	-	-	-
Other grants	-	16,897	(11,637)	-	-	5,260
Pension reserve	(643,000)	-	(37,000)	-	295,000	(385,000)
	<u>(332,987)</u>	<u>1,976,721</u>	<u>(1,836,875)</u>	<u>(109,296)</u>	<u>295,000</u>	<u>(7,437)</u>
RESTRICTED FIXED ASSETS FUND						
Land and buildings transferred on conversion	4,451,751	-	(83,356)	-	-	4,368,395
Fixed assets purchased from GAG and other restricted funds	(21,529)	-	(48,318)	224,089	-	154,242
DfE/ESFA Capital grants	343,937	118,975	(51,830)	(114,793)	-	296,289
	<u>4,774,159</u>	<u>118,975</u>	<u>(183,504)</u>	<u>109,296</u>	<u>-</u>	<u>4,818,926</u>
Total restricted funds	<u>4,441,172</u>	<u>2,095,696</u>	<u>(2,020,379)</u>	<u>-</u>	<u>295,000</u>	<u>4,811,489</u>
Total of funds	<u>4,561,708</u>	<u>2,172,325</u>	<u>(2,102,398)</u>	<u>-</u>	<u>295,000</u>	<u>4,926,635</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	127,930	103,413	(110,807)	-	-	120,536
	<u>127,930</u>	<u>103,413</u>	<u>(110,807)</u>	<u>-</u>	<u>-</u>	<u>120,536</u>

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	90,312	1,766,575	(1,546,874)	-	-	310,013
Higher Needs funding	-	14,068	(14,068)	-	-	-
Pupil Premium (PP)	-	115,665	(115,665)	-	-	-
Other grants	-	24,201	(24,201)	-	-	-
Pension reserve	(382,000)	-	(11,000)	(250,000)	-	(643,000)
	<u>(291,688)</u>	<u>1,920,509</u>	<u>(1,711,808)</u>	<u>(250,000)</u>	<u>-</u>	<u>(332,987)</u>

RESTRICTED FIXED ASSETS FUND

Land and buildings transferred on conversion	4,451,751	-	-	-	-	4,451,751
Fixed assets purchased from GAG and other restricted funds	147,395	-	(168,924)	-	-	(21,529)
DfE/ESFA Capital grants	333,884	10,053	-	-	-	343,937
	<u>4,933,030</u>	<u>10,053</u>	<u>(168,924)</u>	<u>-</u>	<u>-</u>	<u>4,774,159</u>
Total restricted funds	<u>4,641,342</u>	<u>1,930,562</u>	<u>(1,880,732)</u>	<u>(250,000)</u>	<u>-</u>	<u>4,441,172</u>
Total of funds	<u><u>4,769,272</u></u>	<u><u>2,033,975</u></u>	<u><u>(1,991,539)</u></u>	<u><u>(250,000)</u></u>	<u><u>-</u></u>	<u><u>4,561,708</u></u>

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

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Higher Needs funding - funding received from the Local Authority to fund further support for students with additional needs.

Pupil Premium (PP) - income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle the disadvantaged reaches the pupils who need it most.

Other grants - income which has been received for specific reasons.

Pension reserve - this represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS).

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18. STATEMENT OF FUNDS (continued)

Land and buildings transferred on conversion - this represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG - this represents capital assets that have been purchases out of restricted GAG funding.

DfE/ESFA Capital grants - these funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,699,951	4,699,951
Current assets	115,146	479,822	118,975	713,943
Creditors due within one year	(102,259)	-	-	(102,259)
Pension scheme liability	-	(385,000)	-	(385,000)
	<u>115,146</u>	<u>(7,437)</u>	<u>4,818,926</u>	<u>4,926,635</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,767,563	4,767,563
Current assets	120,536	389,229	6,596	516,361
Creditors due within one year	-	(79,216)	-	(79,216)
Provisions for liabilities and charges	-	(643,000)	-	(643,000)
	<u>120,536</u>	<u>(332,987)</u>	<u>4,774,159</u>	<u>4,561,708</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	69,927	17,490
Adjustment for:		
Depreciation charges	183,504	168,924
Interest received	(661)	(1,127)
(Increase)/decrease in debtors	(56,909)	85,228
Increase/(decrease) in creditors	33,657	(130,557)
Capital grants from DfE and other capital income	(108,108)	(10,053)
Defined benefit pension scheme cost less contributions payable	22,000	26,000
Defined benefit pension scheme finance cost	15,000	(15,000)
Net cash provided by operating activities	158,410	140,905

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	582,556	431,269
	582,556	431,269

22. PENSION COMMITMENTS

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

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

Contributions amounting to £22,207 were payable to the schemes at 31 August 2017 (2016: £19,998) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

22. PENSION COMMITMENTS (continued)

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%.

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 £150,405 (2016: £208,830).

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 £73,000 (2016: £77,000), of which employer's contributions totalled £60,000 (2016: £64,000) and employees' contributions totalled £13,000 (2016: £13,000). The agreed contribution rates for future years are 12.5% for employers and from 5.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

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	22.6	23.5
Females	25.6	25.9
Retiring in 20 years		
Males	24.8	25.8
Females	27.9	28.2

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	587,000	416,000
Debt Instruments	-	32,000
Property	26,000	23,000
Cash and other liquid assets	9,000	12,000
Other bonds	35,000	-
Other	25,000	18,000
Total market value of assets	682,000	501,000

The actual return on scheme assets was £84,000 (2016: £79,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(82,000)	(60,000)
Interest income	10,000	15,000
Interest cost	(25,000)	(30,000)
Total	(97,000)	(75,000)

RIDGEWAY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	1,144,000	750,000
Current service cost	82,000	60,000
Interest cost	25,000	30,000
Employee contributions	13,000	13,000
Actuarial (gains)/losses	(193,000)	313,000
Benefits paid	(4,000)	(22,000)
	<u>1,067,000</u>	<u>1,144,000</u>
Closing defined benefit obligation	<u>1,067,000</u>	<u>1,144,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	501,000	368,000
Interest income	11,000	16,000
Actuarial gains	102,000	63,000
Employer contributions	60,000	64,000
Employee contributions	13,000	13,000
Benefits paid	(4,000)	(22,000)
Administration Expenses	(1,000)	(1,000)
	<u>682,000</u>	<u>501,000</u>
Closing fair value of scheme assets	<u>682,000</u>	<u>501,000</u>

23. 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 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	11,950	8,582
Between 1 and 5 years	19,730	16,069
	<u>31,680</u>	<u>24,651</u>
Total	<u>31,680</u>	<u>24,651</u>

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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

25. MEMBERS' LIABILITY

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

26. GENERAL INFORMATION

Ridgeway Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Evesham Road, Astwood Bank, Redditch, Worcestershire, B96 6BD.