

**Christleton International Studio  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**for the period  
3rd December 2014 to  
31 August 2015**

**Company Registration Number:  
09339660 (England and Wales)**

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# **Christleton International Studio**

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# **Christleton International Studio**

## **Reference and Administrative Details**

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### **Trustees**

J Charlton (appointed 03.12.14)  
S M Leake (appointed 03.12.14)

### **Company Secretary**

N R Follos (appointed 03.12.14)

### **Principal and Registered Office**

Christleton High School  
Village Road  
Christleton  
Chester  
CH3 7AS

### **Company Registration Number**

09339660 (England and Wales)

### **Accountants**

RSM UK Tax and Accounting Limited  
Steam Mill  
Chester  
CH3 5AN

### **Bankers**

Lloyds TSB Bank PLC  
Foregate Street  
Chester  
CH1 1XP

## **Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 3<sup>rd</sup> December 2014 to 31 August 2015.

### **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 Christleton International School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Christleton International Studio.

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

#### **Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

#### **Trustees' Indemnities**

There are no indemnities provided by the trustees.

#### **Principal Activities**

The principal activity of the charitable company is to advance education for the public benefit by establishing, maintaining, managing and developing a secondary school offering a broad and balanced curriculum for students of different abilities between the ages of 14 – 19.

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

The members may appoint up to 7 trustees through such process as they may determine provided that the total number of trustees who are employees of the Academy Trust does not exceed one third of the total number of trustees.

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

At this point in time there has been no formal policy set in place. However, as the company develops then appropriate training needs analysis of trustees will take place with training being provided accordingly.

#### **Organisational Structure**

There is no formal organisation structure currently in place. This will be developed and implemented prior to training provision being undertaken which is anticipated to commence in September 2017.

#### **Risk Management**

The trustees have reviewed the risks to which the academy is exposed and developed strategies to mitigate the potential impact. Key risks identified are:

- Completion of a signed funding agreement
- Availability of site & building development
- Level of student recruitment
- Availability of resources and project management

These risks are included in a risk strategy document and are subject to regular review by management.

# **Christleton International Studio**

## **Trustees' Report (continued)**

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### **Connected Organisations including Related Party Relationships**

One of the Trustees is also a Director of Christleton High School, the sponsors of the Studio School. Related party transactions are summarised in note 11 to the financial statements.

### **Objectives and Activities**

#### **Objects and Aims**

The objective of the trust is to advance for the public benefit, education within the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, which includes provision for technical education.

#### **Objectives, Strategies and Activities**

The main objective in the period to 31 August 2015 has been to undertake preparatory work prior to the planned opening of the studio school in September 2016, now deferred to September 2017.

#### **Public Benefit**

The academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity in exercising their powers or duties.

### **Achievements and Performance**

The company continues to plan to open a new School for the benefit of 14-19 students.

#### **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.

#### **Key Financial Performance Indicators**

In the period to 31 August 2015 the main focus of the trust has been to deal with the setting up of activities with a view to commencing teaching and learning with effect from 1<sup>st</sup> September 2017. It is envisaged that appropriate key financial performance indicators will be introduced to measure success prior to the commencement of the educational activities.

### **Financial Review**

#### **Financial and Risk Management Objectives and Policies**

At present there are no significant financial risks that the trust needs to consider and hence, no policies have been introduced. The position will be reviewed on an ongoing basis.

# Christleton International Studio

## Trustees' Report (continued)

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### Principal Risks and Uncertainties

The trustees have reviewed the risks to which the company is exposed and developed strategies to mitigate the potential impact. Key risks identified are:

- Completion of a signed funding agreement
- Availability of site & building development
- Level of student recruitment
- Availability of resources and project management

These risks are included in a risk strategy document and are subject to regular review by management

### Reserves Policy

The trust has not yet developed a policy for maintaining reserves. This will be developed in due course.

### Investment Policy

The trust has not yet developed a policy regarding investments. This will be developed in due course.

### Plans for Future Periods

The trust plans to enter into a funding agreement with the Education Funding Agency with a view to commencing training activities with effect from 1 September 2017.

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

The trust has not held any funds as custodian trustee on behalf of others.

Approved by order of the board of trustees on 9 May 2016 and signed on its behalf by:

S.M. Leake

S Leake  
Acting Chair of Trustees

# Christleton International Studio

## Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 9 May 2016 and signed on its behalf by:

*S.M. Leake*

S Leake  
Acting Chair of Trustees

# Statement of Financial Activities for the period ended 31 August 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
- Voluntary income		-	-	-	-
- Activities for generating funds		-	-	-	-
- Investment income		-	-	-	-
<i>Incoming resources from charitable activities:</i>					
Funding for the academy trust's educational operations	2	-	180	-	180
<b>Total incoming resources</b>		-	180	-	180
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income		-	-	-	-
Fundraising trading		-	-	-	-
<i>Charitable activities:</i>					
Academy trust educational operations	3	-	44	-	44
Governance costs		-	-	-	-
<b>Total resources expended</b>	4	-	44	-	44
<b>Net incoming resources before transfers</b>		-	136	-	136
Gross transfers between funds		-	-	-	-
<b>Net income for the year</b>		-	136	-	136
<b>Reconciliation of funds</b>					
Total funds at 3 December 2014		-	-	-	-
<b>Total funds carried forward at 31 August 2015</b>		-	136	-	136

All of the academy's activities derive from continuing operations commenced during the above period.

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



# Christleton International Studio

## Balance Sheet as at 31 August 2015

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Company Number 09339660

	Notes	2015 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets			-
<b>Current assets</b>			
Stock		-	
Debtors		-	
Cash at bank and in hand		156	
			-
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	6	(20)	
<b>Net current assets</b>			136
<b>Total assets less current liabilities</b>			136
Pension scheme liability			-
<b>Net assets including pension liability</b>			136
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>			
- Fixed asset fund		-	
- General fund	7	136	
- Pension reserve		-	
<b>Total restricted funds</b>			136
<b>Unrestricted income funds</b>			
- General fund		-	
<b>Total unrestricted funds</b>			-
<b>Total funds</b>			136

For the financial period ended 31 August 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statement.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 9 May 2016 and are signed on their behalf by:



S Leake  
Acting Chair of Trustees

**Cash Flow Statement for the period ended 31 August 2015**

	Notes	2015 £000
<b>Net cash inflow from operating activities</b>	<b>8</b>	<b>156</b>
Returns on investments and servicing of finance		-
Capital expenditure		-
<b>Increase in cash in the year</b>	<b>9</b>	<b>156</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 3 December 2014		-
<b>Net funds at 31 August 2015</b>		<b>156</b>

**Notes to the Financial Statements for the period ended 31 August 2015****1. Statement of Accounting Policies****Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Incoming Resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants Receivable**

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.

**Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

**Notes to the Financial Statements for the period ended 31 August 2015 (continued)**

**1. Statement of Accounting Policies (continued)**

**Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**Charitable Activities**

These are costs incurred on the academy trust's educational operations.

**Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Taxation**

As an exempt charity, the company 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 company 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.

**Fund Accounting**

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

**Notes to the Financial Statements for the period ended 31 August 2015 (continued)**

**2 Funding for the Academy Trust's Educational Operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2015 £000</b>
<b>DfE / EFA grants</b>			
- General Annual Grant (GAG)	-	-	-
- Start Up Grants	-	180	180
- Capital Grants	-	-	-
- Other DfE/EFA grants	-	-	-
	<hr/> -	<hr/> 180	<hr/> 180
<b>Other Government grants</b>			
- Local authority grants	-	-	-
- Special educational projects	-	-	-
	<hr/> -	<hr/> -	<hr/> -
	<hr/> -	<hr/> 180	<hr/> 180

**3 Resources Expended**

	<b>Staff Costs £000</b>	<b>Non Pay Expenditure Premises £000</b>	<b>Other Costs £000</b>	<b>Total 2015 £000</b>
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	-	-	-	-
Academy's educational operations				
- Direct costs	12	-	30	42
- Allocated support costs	-	-	2	2
	<hr/> 12	<hr/> -	<hr/> 32	<hr/> 44
Governance costs including allocated support costs	-	-	-	-
	<hr/> -	<hr/> -	<hr/> -	<hr/> -

# Christleton International Studio

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## Notes to the Financial Statements for the period ended 31 August 2015 (continued)

### 4 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
<b>Direct costs</b>			
Teaching and educational support staff costs	-	12	12
Depreciation	-	-	-
Technology costs	-	10	10
Educational supplies	-	3	3
Project Management	-	6	6
Staff development	-	1	1
Educational consultancy	-	10	10
Other direct costs	-	-	-
	-	42	42
<b>Allocated support costs</b>			
Support staff costs	-	-	-
Depreciation	-	-	-
Technology costs	-	1	1
Recruitment and support	-	-	-
Maintenance of premises and equipment	-	-	-
Cleaning	-	-	-
Rent & rates	-	-	-
Energy costs	-	-	-
Insurance	-	-	-
Security and transport	-	-	-
Legal and professional	-	1	1
Bank interest and charges	-	-	-
Other support costs	-	-	-
	-	2	2
	-	44	44

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## Notes to the Financial Statements for the period ended 31 August 2015 (continued)

### 5 Related Party Transactions - Trustees' Remuneration & Expenses

The trustees did not receive any remuneration in the period to 31 August 2015.

### 6 Creditors: Amounts Falling due within one Year

	2015 £000
Trade creditors	5
Taxation and social security	-
EFA creditor: abatement of GAG	-
Other creditors	-
Accruals and deferred income	15
	<hr/> 20 <hr/>

### 7 Funds

	Balance at 3 December 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	-	-	-	-
Start Up Grant	-	180	(44)	-	136
Other DfE/EFA grants	-	-	-	-	-
Provision for boarding	-	-	-	-	-
Pension reserve	-	-	-	-	-
	<hr/> -	<hr/> 180	<hr/> (44)	<hr/> -	<hr/> 136 <hr/>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	-	-	-	-
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	-	-	-	-
	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> -
<b>Total restricted funds</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted funds</b>					
Unrestricted funds	-	-	-	-	-
<b>Total unrestricted funds</b>	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> -
<b>Total funds</b>	<hr/> -	<hr/> 180	<hr/> (44)	<hr/> -	<hr/> 136 <hr/>

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## Notes to the Financial Statements for the period ended 31 August 2015 (continued)

8	Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2015 £000
	Net income	136
	(Increase)/decrease in stocks	-
	(Increase)/decrease in debtors	-
	Increase/(decrease) in creditors	20
	<b>Net Cash Inflow from Operating Activities</b>	<b>156</b>

9	Analysis of Changes in Net Funds	At 3 December 2014 £000	Cash flows £000	At 31 August 2015 £000
	Cash in hand and at bank	-	156	156
		-	156	156

### 10 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 £10.00 for the debts and liabilities contracted before he/she ceases to be a member.

### 11 Related Party Transactions

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

One of the directors of Christleton International Studio is also a director of Christleton High School. During the year transactions took place between Christleton International Studio and Christleton High School. In the period Christleton International Studio reimbursed Christleton High School for costs incurred of £4,098 and at the balance sheet date the company owed Christleton High School £11,685 which is included in accruals.