

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees and Members	I Poole ^{1,2,3,4,5} S Jones ¹ Dr B Wratten, Head Teacher ^{1,2,3,4,5} J Davey ^{1,2} J Gill A Hayne (resigned 11 February 2015) ^{3,4} J Hutson ¹ J Lawrence L Malik ¹ M Mooney A Owen (resigned 8 September 2015) ² A Parker (resigned 24 June 2015) ³ M Payne R Penney (resigned 15 June 2015) T Roberts R Thompson ^{2,4} P Todd ^{2,4} G Turner P O'Connor (appointed 4 March 2015)
	¹ Strategic and Planning Committee ² Curriculum and Behaviour Committee ³ Finance and Premises Committee ⁴ Personnel Committee ⁵ Pay Committee

Company registered number 07687722

Principal and registered office Churchill Green
Churchill
North Somerset
BS25 5QN

Company secretary A Neale, Business Manager

Accounting officer Dr B Wratten

Senior Leadership Group

Dr B Wratten, Head Teacher
M Branch, Deputy Head
F Dawes, Deputy Head
C George, Assistant Head / Director of Sixth Form
L McKay, Assistant Head / Director of Student Welfare
P Trapp, Assistant Head / SENCO
J Morgan, Assistant Head / Outstanding Achievement
R Morgan, Assistant Head / Outstanding Achievement
A Neale, Business Manager
T Helliwell, Associate of Senior Leadership Group / Faculty Coordinator
A Blackburn, Associate of Senior Leadership Group / Faculty Coordinator

**CHURCHILL ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
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Bankers	Lloyds Bank plc Bath Street Cheddar Somerset BS27 3AB
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Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015. 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 11 to 19 in Churchill, North Somerset. It has a pupil capacity of 1,545 and had a roll of 1,461 in the school census on 31 October 2014.

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 Churchill Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Churchill academy.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 cease to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3 million in aggregate claims. For the period ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £1,715).

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 August 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on 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 7 Trustees, appointed under article 50;
- Up to 3 staff Trustees, if appointed under Articles 58A, 58B;
- Subject to there being a minimum of 2 elected Parent Trustees up to 5 Parent Trustees under Articles 53-58; up to 2 Appointed Trustees, appointed under Article 50;
- Up to 1 specified Staff Trustee appointed under article 50;
- The Head Teacher (who is treated for all purposes as being an ex officio Trustee);
- Any additional Trustees, if appointed under Articles 62, 62A or 68A; and
- Any Further Trustees, if appointed under Articles 63 or 68A.

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.

**CHURCHILL ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 Academy has a Trustee Induction policy available from the Clerk to the 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. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by Governor support within the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets at least 5 times in the year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees as follows:

Finance and Premises Committee

Meeting frequency – at least 4 times per year

Purpose - Responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. Health and Safety, site and premises are also within the remit of this committee

Curriculum & Behaviour Committee

Meeting frequency – at least 3 times per year

Purpose - To evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

Strategic Planning Committee

Meeting Frequency – at least 3 times per year

Purpose - To ensure that the Academy is following the strategic direction established by the Governing Body; and to keep all aspects of the Academy's performance under review and support overall improvement activity within the school working closely with the SLG and other focused Governors' Sub-Committees. This group also act as the Admissions Committee for the Board of Trustees.

Personnel Committee

Meeting Frequency – at least 4 times per year

Purpose - The Committee will have responsibility for all staffing matters. It will obtain information from the Head and others in order to be satisfied that Trustees' responsibilities are carried out.

Pay Committee

Meeting frequency – at least once per year

Purpose – to agree and authorise pay related matters.

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 Headteacher and Clerk to the Trustees, to approve the Annual School Improvement Action Plan and Academy budget.

**CHURCHILL ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Group and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels

The Senior Leadership Group (SLG) consists of the Headteacher, two Deputy Headteachers, 3 Assistant Headteachers, the Academy Business Manager and three Associate members of the SLG. The SLG controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager and Finance and Premises Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for senior staff posts always include a Trustee.

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

Tone Leisure Ltd are contracted, by North Somerset Council (NSC), to manage the leisure facilities. There is a dual use agreement between NSC and the Academy, who are owners of some elements of these facilities and the surrounding sports grounds.

The Academy has strong collaborative links with 8 feeder primary schools which form part of the Churchill Cluster.

There are no related parties which either control or significantly influence the decisions and operations of Churchill Academy. There is an active Parent Teacher Association. There are no sponsors of the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Churchill Academy to provide free education and care for pupils of different abilities between the ages of 11 and 18.

Our primary aim at Churchill is to educate all our students to the highest standards they can achieve and to support them in becoming confident individuals, successful learners and responsible citizens. The Academy's work is underpinned by the values we proclaim: Care-Inspire-Challenge-Achieve. To fulfil this, we will:

- Provide our students with a range of knowledge and skills;
- Provide a broad range of subjects and ways of study;
- Meet the individual interests, abilities, aptitudes and needs of all students; and
- Encourage our students to aim high, to appreciate ambition and enterprise and to recognise the value of all their achievements.

**CHURCHILL ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Objectives, Strategies and Activities

Key priorities for the coming year are contained within our School Improvement Action Plan, which forms part of our Three Year Strategic Plan. These include:

Finance	To optimise the management of academy funds to ensure the most effective use of resources in achieving the best possible outcomes for our students.
Curriculum; Achievement and Progress	To educate all students to the highest standards so that they can achieve their potential and to support them in becoming confident individuals, independent learners and responsible citizens.
Behaviour	To enable all students to develop their role as a citizen of the Academy, promoting our core values of care, inspire, challenge and achieve and also respect, tolerance, achievement and belonging.
Premises	To ensure that the physical resources of the Academy are used as effectively as possible to support the drive for it's work to be "Outstanding" in all respects.
Strategic Planning	To ensure that the Academy achieves "Outstanding" status in all aspects of its work through ambitious target-setting, effective leadership and management and robust accountability.
Personnel	To have an appropriately trained, focused and dedicated staff group who are satisfied with their leadership, well-being, methods of communication, CPD opportunities and professional experience within the Academy.

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 Commission'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 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.

STRATEGIC REPORT

Achievements and Performance

Achievement of the Academy remains in line with A Level, or well above GCSE National levels.

A Level results

The Academy's recent Ofsted Report (July 2015) stated that 'students make excellent progress' and this is borne out by this year's results.

Nearly 20% of all grades were A*-A, with half being A*, A or B and 74% achieved A*-C.

80% of our students will be going to their first choice University, 30% of those to Russell Group Universities. AS Level results (Year 12) were also very encouraging, promising much for the future.

The results reflect our continued successes at A Level. The recent Ofsted inspection (July 2015) of Churchill described Sixth Form provision as 'Outstanding', saying that 'students made outstanding progress at both A2 and AS Level' and that 'Teaching in the Sixth Form is outstanding' where 'expert subject knowledge' is used to 'challenge students and to support them to reach the very high targets set'.
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

GCSE results

Overall, 73% of students achieved the all-important threshold of 5 or more A*- C, with 60% including English and Maths. Over 70% made expected levels of progress in English and 70% did so in Maths. Students average points score for their best eight subjects was 336 – very much in-line with Churchill's record of success over many years.

Additional Funding

During the year, the Academy secured £135,250 of funding through the Capital Improvement Fund (CIF) to refurbish many of the student toilets across the Academy Campus. Work is due to complete by the end of January 2016 and will see the total amount of capital investment of £2,165,636 through bid applications since conversion to Academy in August 2011.

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 to ensure that the Academy retains sufficient funds to continue its educational activities. The amount carried forward as at 31 August 2015 was £541,685.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014 this was 86%, compared to 82% in 2014.

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 EFA 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 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and 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 2015, the Academy received total income of £7,472,937 which consisted of £6,983,893 of recurrent grant funding from the DfE, £165,603 of grants from the Academies Capital Maintenance Fund and £323,441 of other incoming resources.

At 31 August 2015 the net book value of fixed assets was £16,885,007 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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 Statement of Financial Activities with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the period include the Purchasing Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, 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.

**CHURCHILL ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

Trustees have adopted an External Audit Process and appointed North Somerset Audit Services to undertake a programme of internal checks on the financial controls. During the year, the Trustees received 3 reports which contained no matters of significance and recognised some good practices in relation to financial control.

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 cash reserves should be approximately £100,000. 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. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £163,294.

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

- Student Toilets - £187,000 (£135,250 of which is funded by the CIF bid application process).

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' contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trusts budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Governors 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 Business Manager 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 EFA. In the last year 97.11% of the Academy's incoming resources was 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 dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student 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.

**CHURCHILL ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Staffing - The success of the Academy is reliant on 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 Responsible Officer 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 an agreed Risk Management strategy, a risk register and a risk management plan. These have been discussed with Trustees and also include financial risks to the Academy. The register and plan are regularly reviewed.

Whilst the Academy is a popular choice for parents, the forthcoming Y7 intakes are lower than previous years due to lower numbers within the Primary Schools and the increase in higher performing Academies in out of catchment areas including Weston Super Mare; therefore revenue funding will be reduced accordingly. A significant budget restructure has taken place through Governor Budget working groups, staff consultation which has resulted in a reduction in expenditure in the 2015/16 forecast budget of c£500k. Governors are continually aware that the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. Year 7 pupil numbers are predicted to increase to previous levels in September 2016/17. Governors will continue to review budgets during the 2015/16 Academic year.

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

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

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Governors 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 was not successful in its quest to secure any additional block build capital investment through the Priority Schools Building Programme – Round 2 (PSBP2) but has subsequently met with senior officials from the Education Funding Agency to discuss a way forward with regards to the current building conditions.

The outcome of this meeting is that the Academy will review its current strategic site master plan in order for any proposed project plans to be in line with smaller bid applications (up to £4m) available via the CIF capital plans.

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.

**CHURCHILL ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

AUDITORS

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are 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 auditors are 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 company directors, on ~~1 December 2015~~ and signed on the board's behalf by:



**Mr I Poole
Chair of Trustees**

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Churchill Academy 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 Trustees' Responsibilities Statement. 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
I Poole	6	6
S Jones	4	6
Dr B Wratten, Head Teacher	5	6
J Davey	5	6
J Gill	6	6
A Hayne	4	4
J Hutson	5	6
J Lawrence	4	6
L Malik	5	6
M Mooney	4	4
A Owen	5	6
A Parker	5	6
M Payne	5	6
R Penney	3	6
T Roberts	0	6
R Thompson	5	6
P Todd	6	6
G Turner	5	6
P O'Connor	1	2

GOVERNANCE STATEMENT (continued)

Governance reviews

The trustees of the Academy undertake a number of reviews both internally and externally:

- In July 2015, Ofsted judged Governance to be Outstanding and quoting "Governors have a broad range of professional skills and expertise which they use meticulously to check the work of the academy and to hold leaders to account for the quality of teaching and the achievement of students. As a result, outcomes for students have been above the national average since the academy opened" (previously judged as Good in 2010).
- The Strategic Planning Committee has consistently focused on improving self-evaluation of Governance and their performance with each committee now undertaking its own self-evaluation of performance and impact, which is reported back to the main Board of Governors.
- Skills Audit was undertaken in 2014, which identified 3 areas of development:
 - understanding data
 - understanding finance and the budget formula
 - understanding the GB's duties and responsibilities for CP/Safeguarding.
- The Academy subscribes to Governor Services to ensure all new, and existing, Governors have access to up to date statutory training.
- Governors are appointed with skill sets required to compliment the appropriate requirements of the Committees.

Future Reviews

- With a new Head Teacher starting at the Academy in January 2016, it is anticipated there will be a further a review of Governance, which will be reported in the Academy accounts for 2015/16.

The Finance & Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

1. In conjunction with the Headteacher and Business Manager, formulate the schools' financial strategy and establish an annual budget for recommendation to the Governing Body for approval.

It will monitor expenditure throughout the year and obtain reports from the Headteacher, Business Manager and others to be satisfied that the Governors' responsibilities are carried out.

Specifically:

- (a) Review the previous year's figures and any changes impacting on future income and expenditure.
- (b) Agree a draft budget and present this to the Governing Body for approval in accordance with the timetable required by the Education Funding Agency.
- (c) Monitor monthly income and expenditure.
- (d) Have delegated authority to agree expenditure within the levels set in the Academy's Purchasing Policy.
- (e) Have delegated authority to agree virements of minor amounts between budget headings not exceeding 2% of the annual expenditure budget.
- (f) Consider and recommend to Governors, projects which will enhance curriculum provision and be funded from the delegated budget.
- (g) Review appropriate Academy Policy Documents and recommend to the Governing Body re-adoption with any necessary changes.
- (h) Set the agreed limit for each budget heading.
- (i) To provide an Annual Report in accordance with statutory Companies Act 2006 regulations and the accounts direction set by the EFA.
- (j) To provide an Audit Committee function to help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds.

2. Be responsible for monitoring the development and maintenance of the school site and recommending to the Governing Body improvements and further developments to meet the academic and community needs of the school. It will obtain reports from the Headteacher and others in order to be satisfied that the Governors' responsibilities are carried out.

**CHURCHILL ACADEMY
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GOVERNANCE STATEMENT (continued)

Specifically:

- (a) Receive and recommend to Governors a planned programme for internal and minor external maintenance and development and monitor this programme.
- (b) Liaise with the Local Authority fulfilling their responsibilities for major external maintenance and repairs.
- (c) Have delegated powers to arrange support service contracts and be responsible for monitoring their operation.
- (d) Recommend to the Governing Body projects for capital development and liaise with the Education Funding Agency (EFA) for funding of such projects.
- (e) Pursue opportunities for project funding from national and local initiatives and sponsors.
- (f) Have delegated powers to ensure that the Governors' responsibilities for Health & Safety are fulfilled.
- (g) Monitor progress and expenditure on development projects.
- (h) Annually review the Health and Safety provision and provide an annual report for the Full Governing Body.
- (i) Review appropriate School Policy Documents and recommend to the Governing Body re-adoption with any necessary changes.
- (j) Monitor repair/maintenance programmes initiated by the Head within the limitations delegated to him.

Statutory governance responsibilities managed by this committee:

- Formulation of the financial strategy, setting a realistic annual budget for recommendation to the Governing Body for approval.
- Monitor and oversee management of expenditure throughout the year; obtain reports from the Headteacher, Business Manager etc; to satisfy the Governors' obligations and duties are carried out (eg. regarding prudence, value for money, cash-flow)
- Monitoring the development and maintenance of the school site (including Health and Safety) and recommending to the Governing Body improvements and further developments to meet the academic and community needs of the Academy.

Main areas of achievement – in order of achievement:

1. Budget review and restructuring, including the Restructuring Mandate.
2. Draft Budget approved 2015-2016.
3. School Improvement Action Plan; updated RAG ratings.
4. PSBP updates and involvement of John Penrose, MP in lobbying.
5. CIF Bids secured (Toilets).
6. Changes to the Site Team; new Site & Facilities Manager and review of all Job Descriptions.
7. Catering and Cleaning Contract tendering – existing suppliers will be replaced in September by Chartwells and Churchill respectively
8. Weston FC proposal.
9. Assurance reporting with positive outcomes demonstrating finance function is fully compliant.
10. ACMF2 EFA Feedback obtained.
11. SMILE & Newco updates & IT investment.
12. Post 16-examination costs.
13. Dual Occupancy Agreement – discussions with NSC & Tone Leisure.
14. H&S updates and Audit.
15. Investment update – better use of reserves investment to increase income received.
16. Risk Register.
17. Pensions & Pay Roll updates.
18. Policy updates: Purchasing Policy, Medical Policy, Charges & Remissions, H&S Policy, Investments Policy

Governors' Statutory duties monitored by this committee:

- Budget Approval recommend to FGB.
- Approval for expenditure above remit of SLG.

Main areas of work undertaken – most important first:

1. Budget Restructure
2. Condition Improvement Fund projects
3. Transportation Working Group

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Areas of challenge to SLG

- Staffing structure.
- Non-staffing budget structure.
- Re-structure staff levels to support a school population of 1,460 students.
- Staff Cost v Income ratio too high at 85%.

Outcome / follow-up

- Reduction in staffing to enable a lower in year deficit.
- Reduction in expenditure in non-staffing costs.
- Staff Cost v Income ratio reduced to 82%.
- Recommended Staff Cost v Income ratio of 80%.

Any suggested areas of development to pursue:

- Further budget restructure for 2016/17 to achieve a Staff Cost v Income ratio of 80%.
- Income Generation – marketing. Student numbers.
- Transport provision for out of catchment areas not currently targeted.

General comments on work of the Committee:

This has been a dynamic and fast moving year for the Committee, which also provided the backbone of both the Budget Review and Transportation Review working groups. A significant amount of work has been undertaken by this committee during the 2014/15, to re-structure staff levels to support a school population of 1,460 students and have a fit for purpose operating model no later than the end of FY 16/17 (Year 3); in order to live within in-year allocation and thereby sustaining financially the future of the Academy in perpetuity. Difficult decisions have been needed to drive costs down within the Academy expenditure.

Overall assessment of the contribution of the Committee:

Highly effective.

Key areas for improvement:

- Maintain the momentum to achieve a Staff Cost v Income ratio of 80% and a fit for purpose operating model no later than the end of FY 16/17 (Year 3) to support a school population of 1,460 students.
- Focus further effort and resources on the Site Master Plan.
- Increase the Academy's marketing efforts both for Year 7 and Year 12 students' capture.
- Develop inter-academy alliances and explore areas of cross-services sharing.

The Audit Committee forms part of the Finance and Premises committee Remit.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Parker	4	5
A Hayne	2	3
B Wratten	5	5
G Turner	4	5
I Poole	4	5
J Gill	5	5
J Lawrence	2	5
M Payne	1	5
R Penney	3	5
P O'Connor	2	2

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As Governors of Churchill Academy, we are responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. We are aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Governors have set out below how they have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

- PS Financials accounting software is now fully embedded and provides confidence to Governors the accounting records are accurate and complete.
- Budget Review Working group was formed to review staffing complement to reflect student numbers to ensure sustainability and deliverability of the curriculum. Full review of non-staffing expenditure also undertaken.
- Staffing and budget restructure identified and implemented for September 2015.
- Purchasing Policy to ensure appropriate expenditure authorisation levels are set.
- Systematic processes for all budget holders to ensure expenditure is controlled and best value obtained.
- 3 external audits conducted annually to review:
 - o Payroll
 - o Risks and Controls
 - o Income & Expenditure.
- Finance and Premises Committee meetings with Budget monitoring updates.

THE PUPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Churchill Academy for the year 1 September 2014 to 31 August 2015 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 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's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint North Somerset Council Audit Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the internal auditor 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.

During the financial year 2014/15, there have been 3 internal audits covering Payroll, Accounting (income/expenditure) and Risk & Controls. Trustees received 3 reports which contained no matters of significance and recognised some good practices in relation to financial control.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer 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 ~~1 December~~ ²⁰¹⁵ and signed on their behalf, by:



Mr I Poole
Chair of Trustees



Dr B Wratten
Accounting Officer

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Churchill Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.



**Dr B Wratten
Accounting Officer**

Date: 01/12/2015

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of Churchill Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic 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 of 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;
- 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 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 and signed on its behalf by:



**Mr I Poole
Chair of Trustees**

Date: 01/12/2015

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHURCHILL ACADEMY

We have audited the financial statements of Churchill Academy for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education 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 Auditors' 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHURCHILL ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Bishop Fleming LLP

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: *16 December 2015*

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHURCHILL ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Churchill Academy during the year 1 September 2014 to 31 August 2015 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 Churchill Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Churchill Academy and EFA 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 Churchill Academy and EFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Churchill Academy's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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.

**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHURCHILL
ACADEMY AND THE EDUCATION 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

David Butler FCA DChA (Reporting Accountant)

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

Date: *16 December 2015*

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	7,666	18,332	-	25,998	58,295
Activities for generating funds	3	24,947	-	-	24,947	50,736
Investment income	4	2,492	-	-	2,492	1,686
Incoming resources from charitable activities	5	170,956	7,248,544	-	7,419,500	7,619,679
TOTAL INCOMING RESOURCES		206,061	7,266,876	-	7,472,937	7,730,396
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating funds		24,947	-	-	24,947	29,663
Charitable activities	7,8	156,336	7,258,103	374,369	7,788,808	8,528,602
Governance costs	9	-	14,268	-	14,268	14,546
TOTAL RESOURCES EXPENDED	6	181,283	7,272,371	374,369	7,828,023	8,572,811
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		24,778	(5,495)	(374,369)	(355,086)	(842,415)
Transfers between Funds	17	-	(64,301)	64,301	-	-
NET EXPENDITURE FOR THE YEAR		24,778	(69,796)	(310,068)	(355,086)	(842,415)
Actuarial gains and losses on defined benefit pension schemes		-	(173,000)	-	(173,000)	(215,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		24,778	(242,796)	(310,068)	(528,086)	(1,057,415)
Total funds at 1 September		163,294	(1,443,269)	17,195,075	15,915,100	16,972,515
TOTAL FUNDS AT 31 AUGUST		188,072	(1,686,065)	16,885,007	15,387,014	15,915,100

All of the Academy's activities derive from continuing operations.

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 44 form part of these financial statements.

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07687722

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		16,885,007		17,195,075
CURRENT ASSETS					
Debtors	15	90,569		188,656	
Cash at bank and in hand		1,041,364		975,431	
		<u>1,131,933</u>		<u>1,164,087</u>	
CREDITORS: amounts falling due within one year	16	(246,926)		(311,062)	
NET CURRENT ASSETS			885,007		853,025
TOTAL ASSETS LESS CURRENT LIABILITIES			17,770,014		18,048,100
Defined benefit pension scheme liability	23		(2,383,000)		(2,133,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>15,387,014</u>		<u>15,915,100</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	17	696,935		689,731	
Fixed asset funds	17	16,885,007		17,195,075	
Restricted funds excluding pension liability		<u>17,581,942</u>		<u>17,884,806</u>	
Pension reserve		(2,383,000)		(2,133,000)	
Total restricted funds			15,198,942		15,751,806
Unrestricted funds	17		188,072		163,294
TOTAL FUNDS			<u>15,387,014</u>		<u>15,915,100</u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2015 and are signed on their behalf, by:



I Poole
Chair of Trustees

The notes on pages 26 to 44 form part of these financial statements.

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	127,742	(83,857)
Returns on investments and servicing of finance	20	2,492	1,022
Capital expenditure and financial investment	20	(64,301)	(37,444)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		65,933	(120,279)
Financing	20	-	(13,728)
INCREASE/(DECREASE) IN CASH IN THE YEAR		65,933	(134,007)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
(Decrease)/increase in cash in the year	65,933	(134,007)
Cash outflow from decrease in debt and lease financing	-	13,728
MOVEMENT IN NET FUNDS IN THE YEAR	65,933	(120,279)
Net funds at 1 September 2014	975,431	1,095,710
NET FUNDS AT 31 AUGUST 2015	1,041,364	975,431

The notes on pages 26 to 44 form part of these financial statements.

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

1.3 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 and include grants from the Department for Education.

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 there is certainty of receipt 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.5 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	<u>7,666</u>	<u>18,332</u>	<u>25,998</u>	<u>58,295</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings and hire	12,452	-	12,452	9,615
Consultancy	-	-	-	150
IT and PE service fees	-	-	-	17,989
Income from school productions	12,495	-	12,495	22,982
	<u>24,947</u>	<u>-</u>	<u>24,947</u>	<u>50,736</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	<u>2,492</u>	<u>-</u>	<u>2,492</u>	<u>1,686</u>

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	165,603	165,603	70,660
General Annual Grant	-	6,765,738	6,765,738	7,086,268
Other DfE/EFA grants	-	218,155	218,155	217,675
	-	7,149,496	7,149,496	7,374,603
Other government grants				
High Needs	-	61,827	61,827	54,414
Other non-capital Government grants	-	3,696	3,696	31,877
	-	65,523	65,523	86,291
Other funding				
Income for hosting trainee teachers	12,690	-	12,690	11,364
School trips and other income	133,869	33,525	167,394	140,261
Sales to students	24,397	-	24,397	7,160
	170,956	33,525	204,481	158,785
	170,956	7,248,544	7,419,500	7,619,679

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Other 2015 £	Total 2015 £	Total 2014 £
Generating funds	5,103	19,844	24,947	29,663
COSTS OF GENERATING FUNDS	5,103	19,844	24,947	29,663
Direct costs	5,069,723	967,130	6,036,853	6,241,047
Support costs	849,627	902,328	1,751,955	2,287,555
CHARITABLE ACTIVITIES	5,919,350	1,869,458	7,788,808	8,528,602
GOVERNANCE	-	14,268	14,268	14,546
	5,924,453	1,903,570	7,828,023	8,572,811

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FOR THE YEAR ENDED 31 AUGUST 2015

7. DIRECT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	28,475	20,000
Educational supplies	201,004	281,458
Examination fees	142,144	145,191
Staff development	12,441	43,950
Educational visits	246,278	194,835
Supply teachers	66,652	157,729
Technology costs	44,121	28,828
Wages and salaries	4,116,035	4,151,336
National insurance	283,479	282,676
Pension cost	577,518	607,172
Depreciation	318,706	327,872
	<u>6,036,853</u>	<u>6,241,047</u>

8. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	30,525	39,000
Support staff agency costs	6,195	17,906
Recruitment and support	35,765	23,615
Maintenance of premises and equipment	207,321	795,064
Cleaning	123,847	126,419
Rent and rates	35,955	39,206
Energy costs	123,855	130,792
Insurance	46,411	70,084
Security and transport	9,578	18,374
Catering	27,941	33,698
Technology costs	88,705	50,636
Office overheads and publicity	52,777	62,638
Legal and professional	57,630	75,358
Bank interest and charges	160	664
Wages and salaries	626,787	593,577
National insurance	40,173	37,712
Pension cost	182,667	120,439
Depreciation	55,663	52,373
	<u>1,751,955</u>	<u>2,287,555</u>

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9. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	7,770	7,700
Auditors' non audit costs	6,498	5,051
Other governance costs	-	1,795
	14,268	14,546

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	374,369	380,245
Auditors' remuneration	7,770	7,700
Auditors' remuneration - non-audit	6,498	5,051
Operating lease rentals:		
- plant and machinery	35,883	16,421
- other operating leases	11,270	11,270

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,754,314	4,734,706
Social security costs	323,652	320,388
Other pension costs (Note 23)	760,185	727,611
	5,838,151	5,782,705
Supply teacher costs	66,652	157,729
Staff restructuring costs	13,455	17,000
Other supply staff	6,195	17,906
	5,924,453	5,975,340

b. Staff severance payments

Included in staff restructuring costs is a non-contractual severance payment totalling £5,700 (2014: £17,000) and two contractual payments totalling £7,755 (2014: £NIL).

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11. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Teachers	87	83
Administration and support	57	50
Management	9	9
	153	142

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

Three of the four employees above participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £33,490 (2014: £32,497) per annum. One of the employees above participated in the Local Government Pension Scheme. During the period ended 31 August 2015, pension contributions for this individual amounted to £8,585 (2014: £NIL)

NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows: Dr B Wratten Remuneration £100,000-£110,000 (2014: £100,000-£110,000), Employer's pension contributions £10,000-£15,000 (2014: £10,000-£15,000); A Hayne Remuneration £15,000-£20,000 (2014: £25,000-£30,000) Employer's pension contributions £0-£5,000 (2014: £0-£5,000), J Davey Remuneration £45,000-£50,000 (2014: £45,000-£50,000) Employer's pension contributions £5,000-£10,000 (2014: £5,000-£10,000), R Thompson Remuneration £25,000-£30,000 (2014: £25,000-£30,000) Employer's pension contributions £0-£5,000 (2014: £0-£5,000); J Gill Remuneration £45,000-£50,000 (2014: £45,000-£50,000) Employer's pension contributions £5,000-£10,000 (2014: £5,000-£10,000); and P O'Connor Remuneration £20,000-£25,000 (2014: £NIL) Employer's pension contributions £5,000-£10,000 (2014: £NIL).

During the year retirement benefits were accruing to 6 Trustees (2014: 5) in respect of defined contribution pension schemes.

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

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).

13. 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. For the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £ 1,715).

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold land and property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2014	18,061,437	22,100	40,588	250,304	18,374,429
Additions	-	-	-	64,301	64,301
At 31 August 2015	18,061,437	22,100	40,588	314,605	18,438,730
DEPRECIATION					
At 1 September 2014	959,037	11,669	16,393	192,255	1,179,354
Charge for the year	311,191	3,759	7,547	51,872	374,369
At 31 August 2015	1,270,228	15,428	23,940	244,127	1,553,723
NET BOOK VALUE					
At 31 August 2015	16,791,209	6,672	16,648	70,478	16,885,007
At 31 August 2014	17,102,400	10,431	24,195	58,049	17,195,075

Included within Freehold land and property is land with a value of £2,501,908 which is not depreciated.

15. DEBTORS

	2015 £	2014 £
Trade debtors	7,049	12,322
VAT recoverable	29,447	61,160
Other debtors	4,469	371
Prepayments and accrued income	49,604	114,803
	<u>90,569</u>	<u>188,656</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	44,871	1,430
Other taxation and social security	99,902	105,851
Other creditors	37,663	33,377
Accruals and deferred income	64,490	170,404
	<u>246,926</u>	<u>311,062</u>

DEFERRED INCOME

Deferred income at 1 September 2014	55,274
Resources deferred during the year	11,101
Amounts released from previous years	<u>(55,274)</u>
Deferred income at 31 August 2015	<u>11,101</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	163,294	206,061	(181,283)	-	-	188,072
RESTRICTED FUNDS						
General Annual Grant (GAG)	608,350	6,791,746	(6,794,110)	(64,301)	-	541,685
High Needs	-	61,827	(61,827)	-	-	-
Donations	-	18,332	(18,332)	-	-	-
Pupil premium	81,381	207,655	(269,036)	-	-	20,000
Year 7 catch up grant	-	10,500	(10,500)	-	-	-
Devolved formula capital	-	30,353	(30,353)	-	-	-
Condition Improvement Fund (CIF)	-	135,250	-	-	-	135,250
Other restricted income	-	11,213	(11,213)	-	-	-
Pension reserve	(2,133,000)	-	(77,000)	-	(173,000)	(2,383,000)
	<u>(1,443,269)</u>	<u>7,266,876</u>	<u>(7,272,371)</u>	<u>(64,301)</u>	<u>(173,000)</u>	<u>(1,686,065)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	16,838,234	-	-	-	-	16,838,234
Fixed assets purchased from GAG and other restricted funds	356,841	-	(374,369)	64,301	-	46,773
	<u>17,195,075</u>	<u>-</u>	<u>(374,369)</u>	<u>64,301</u>	<u>-</u>	<u>16,885,007</u>
Total restricted funds	15,751,806	7,266,876	(7,646,740)	-	(173,000)	15,198,942
Total of funds	<u>15,915,100</u>	<u>7,472,937</u>	<u>(7,828,023)</u>	<u>-</u>	<u>(173,000)</u>	<u>15,387,014</u>

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

RESTRICTED FUNDS

The General Annual Grant represents funding received from the Education Funding Agency (EFA) during the period in order to fund the continuing activities of the Academy.

High Needs funding is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

Donations represents contributions received towards the costs of educational trips.

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

Year 7 catch up grant represents funding from the EFA to aid pupil progress.

Devolved formula capital represents unspent funds received from the DfE/EFA.

Condition Improvement Fund (CIF) represents income from the EFA for specific capital projects.

Other restricted funds represent amounts received from North Somerset Council and other sources and includes income from AST and Graduate Teacher Training.

The pension reserve represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from North Somerset Council on conversion to an Academy.

Fixed assets purchased from GAG and unrestricted funds represent amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants include Demographic Growth Capital and devolved capital funding which have been spent on capital items.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	163,294	206,061	(181,283)	-	-	188,072
Restricted funds	(1,443,269)	7,266,876	(7,272,371)	(64,301)	(173,000)	(1,686,065)
Restricted fixed asset funds	17,195,075	-	(374,369)	64,301	-	16,885,007
	<u>15,915,100</u>	<u>7,472,937</u>	<u>(7,828,023)</u>	<u>-</u>	<u>(173,000)</u>	<u>15,387,014</u>

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	16,885,007	16,885,007	17,195,075
Current assets	199,173	932,760	-	1,131,933	1,164,087
Creditors due within one year	(11,101)	(235,825)	-	(246,926)	(311,062)
Pension scheme liability	-	(2,383,000)	-	(2,383,000)	(2,133,000)
	<u>188,072</u>	<u>(1,686,065)</u>	<u>16,885,007</u>	<u>15,387,014</u>	<u>15,915,100</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net (outgoing)/incoming resources	(355,086)	(842,415)
Returns on investments and servicing of finance	(2,492)	(1,022)
Depreciation of tangible fixed assets	374,369	380,245
Decrease in debtors	98,087	500,074
Decrease in creditors	(64,136)	(191,739)
Defined benefit pension scheme adjustments	77,000	71,000
NET CASH IN/(OUT)FLOW FROM OPERATING ACTIVITIES	<u>127,742</u>	<u>(83,857)</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	2,492	1,686
Interest paid	-	(664)
NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>2,492</u>	<u>1,022</u>
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(64,301)	(37,444)
	2015 £	2014 £
FINANCING		
Repayment of loans	-	(13,728)

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand	975,431	65,933	-	1,041,364
NET FUNDS	975,431	65,933	-	1,041,364

22. 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.

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £484,672 (2014: £486,316).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £244,000, of which employer's contributions totalled £168,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are 13% for employers and 5.5% to 7.5% for employees.

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

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23. PENSION COMMITMENTS (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	1,167,000	7.00	981,000
Bonds	3.05	426,000	3.34	343,000
Property	6.10	170,000	6.20	135,000
Cash	0.50	46,000	0.50	59,000
Other	6.50	290,000	7.00	262,000
Total market value of assets		<u>2,099,000</u>		<u>1,780,000</u>
Present value of scheme liabilities		<u>(4,482,000)</u>		<u>(3,913,000)</u>
Deficit in the scheme		<u><u>(2,383,000)</u></u>		<u><u>(2,133,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(4,482,000)	(3,913,000)
Fair value of scheme assets	<u>2,099,000</u>	<u>1,780,000</u>
Net liability	<u><u>(2,383,000)</u></u>	<u><u>(2,133,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(274,000)	(241,000)
Interest on obligation	(163,000)	(164,000)
Expected return on scheme assets	<u>104,000</u>	<u>105,000</u>
Total	<u><u>(333,000)</u></u>	<u><u>(300,000)</u></u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,913,000	3,501,000
Current service cost	274,000	241,000
Interest cost	163,000	164,000
Contributions by scheme participants	81,000	75,000
Actuarial gains	93,000	(27,000)
Benefits paid	<u>(42,000)</u>	<u>(41,000)</u>
Closing defined benefit obligation	<u><u>4,482,000</u></u>	<u><u>3,913,000</u></u>

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	1,780,000	1,654,000
Expected return on assets	104,000	105,000
Actuarial gains and (losses)	(80,000)	(242,000)
Contributions by employer	256,000	229,000
Contributions by employees	81,000	75,000
Benefits paid	(42,000)	(41,000)
	2,099,000	1,780,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £290,000 (2014: £281,000).

The Academy expects to contribute £0/s to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	55.60 %	55.10 %
Bonds	20.30 %	19.30 %
Property	8.10 %	7.60 %
Cash	2.20 %	3.30 %
Other	13.80 %	14.70 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.28 %	5.66 %
Rate of increase in salaries	3.80 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.30 %	2.20 %

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

	2015	2014
Retiring today		
Males	23.4 years	23.3 years
Females	25.9 years	25.8 years
Retiring in 20 years		
Males	25.8 years	25.7 years
Females	28.8 years	28.7 years

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23. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(4,482,000)	(3,913,000)	(3,501,000)
Scheme assets	2,099,000	1,780,000	1,654,000
Deficit	(2,383,000)	(2,133,000)	(1,847,000)
Experience adjustments on scheme liabilities	(93,000)	27,000	-
Experience adjustments on scheme assets	(80,000)	(242,000)	127,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
EXPIRY DATE:		
Between 2 and 5 years	33,515	33,515

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No such transactions have occurred during the period.

Miss S Wratten, daughter of Dr B Wratten, a Trustee, is employed at the Academy. Miss Wratten's appointment was made in open competition and Dr Wratten was not involved in the decision making process. Miss Wratten is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £13,651 and disbursed £6,479 from the fund. An amount of £14,318 is included in other creditors relating to undistributed funds that is repayable to the EFA.