

Company Registration Number: 07687722 (United Kingdom)

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' Report	3 - 8
Governance Statement	9 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the financial statements	17 - 19
Independent Reporting Accountant's report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 48

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

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

C R Hildrew, Headteacher^{1,2,3}
Y V Chadwick¹
J S Chen-Taylor²
J D Dewey^{2,3}
C S George¹
B Hardy²
M R Johnson^{2,3}
J Kanaan (appointed 3 June 2019)²
J Lawrence²
S J Marshall¹
M B B Mooney^{1,2,3}
A K Oakley¹
R E Thompson¹
A T Titerick^{x2}
S Tucker²
C Way (appointed 3 June 2019)¹
L J Malik (resigned 31 March 2019)^{1,3}
S G Rawlins (resigned 3 December 2018)¹

¹ Teaching and Learning Committee

² Resource and Finance Committee

³ Pay Committee

Company registered number 07687722

Company name Churchill Academy

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

Company secretary C Hildrew

Chief executive officer C Hildrew

Senior Leadership Team

C R Hildrew, Headteacher
M Branch, Deput Headteacher
F Dawes, Deput Headteacher
L McKay, Assistant Head / Director of Student Services
R Morgan, Assistant Head / Head of Sixth Form
J Gill, Assistant Head / Teaching & Learning

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Bankers	Lloyds Bank plc Cheddar Somerset BS1 4NT
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**CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 1,605 and had a roll of 1,525 in the school census on 16 April 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

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 ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of the indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy 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 and 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 Headteacher
- 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 Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 students. 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 a small number of 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 the Local Authority and other bodies.

There is a Trustees' training each year which includes sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Full Governing Body serves as the Board of Trustees, and meets four times a year. The Full Governing Body 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 and reports from the Committee Chairs. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees as follows;

- **Teaching and Learning Committee**
Meeting frequency: at least three times per year
Purpose: To undertake risk analyses and promote risk management in matters relating to the curriculum and the welfare of students attending the Academy in its discharge of policies to achieve the aims and statutory and other duties of the Governing Body.

- **Resource and Finance Committee**
Meeting frequency: at least three times per year
Purpose: To undertake risk analyses and promote risk management in matters relating to the financial affairs and the estate of the Academy in its discharge of policies to achieve the aims and statutory and other duties of the Governing Body.

- **Pay Committee**
Meeting frequency – at least once per year
Purpose – to make decisions on the pay of staff, based on the Pay Policy and Performance Development Policy.

The following decisions are reserved to the Full Governing Body: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair of Trustees, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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 senior staff appointments.

The Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leaders in the Senior Leadership Team (SLT) and Business Leadership Team (BLT). The SLT and BLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team, Business

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Leadership Team, and the Middle Leadership Team (Directors of Faculty and Heads of House). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Headteacher, two Deputy Headteachers, and three Assistant Headteachers. The SLT leads the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The operation of the Academy's business function is led by the Business Leadership Team (BLT), which consists of the Headteacher, two Deputy Headteachers, Chief Financial Officer, Administration Manager, Commercial and Marketing Manager, HR Manager, Network Manager and Site Manager.

The Headteacher, Chief Financial Officer and Resources and Finance Committee are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised in line with the Academy's Purchasing Policy. The Headteacher is responsible for the appointment of staff, though appointment panels for senior staff posts always include a Trustee.

Following an external review of Governance in 2018, the Governing Body was restructured in 2018-19.

The Head Teacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

The pay of key management personnel is reviewed annually in accordance with the Academy's Pay Policy.

Connected Organisations, including Related Party Relationships

Greenwich Leisure Ltd (GLL) has use of the Academy's leisure facilities and there is a shared use agreement between it and the Academy.

The Academy has strong collaborative links with nine 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. The Academy's purpose is "to inspire and enable young people to make a positive difference." The Academy's vision is "to set no limits on what we can achieve." The Academy's purpose and vision are supported by three values: kindness, curiosity and determination.

The Academy's priority in 2018-19 was to build a culture of academic tenacity based on our three values of kindness, curiosity and determination.

The four priorities in the year ended 31st August 2019 were:

1. Ensure the very best behaviour and conduct from all students
2. Develop teaching and learning approaches to maximise student access to and progress through the curriculum
3. Secure exceptional pastoral care for all students
4. Develop the learning environment

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

STRATEGIC REPORT

Achievements and Performance

The Academy is heavily oversubscribed. There were 440 applicants for the 270 places available in Year 7.

Examination results for 2019 were strong. At A level the pass rate rose to 99.1% whilst the average point score per entry (DfE) was 33.7. At GCSE 54.8% of students achieved a strong pass or better in both English and Maths, improved from the previous year.

During the year the Academy opened a new Science and Technology Block, the Athene Donald Building, funded by a CIF bid. Further CIF funding was received to demolish the existing Science building, which is in poor condition, and a smaller Technology block which will be replaced by an extension to the Athene Donald Building. The Academy has also completed a project to install a new reception and administration hub at the heart of the school. This was funded by the sale of the School House on the edge of the Academy's estate; consent for the disposal of this asset was granted by the Secretary of State.

The Academy has been designated an SSAT Leading Edge school.

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 maintains sufficient funds to continue its educational activities. The amount carried forward as at 31 August 2019 was £60,493, representing 0.9% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019 were 1525, an increase of 48 over the previous year. It is anticipated that this number will continue to rise.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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 Going Concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 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 2019, total expenditure less restricted fixed asset funds of £7,799,148 was covered by recurrent grant funding from the DfE, together with other incoming resources totalling £7,444,938. The excess of expenditure over income for the year (excluding restricted fixed asset funds and pension) was £354,210.

At 31 August 2019 the net book value of fixed assets was £20,185,279 and movements in tangible fixed assets

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The 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, leaders, budget holders and other staff, as well as delegated authority for spending.

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 minimum level of free reserves should be approximately £200,000. 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. Trustees aim for the level of free reserves to be between the margin of £200,000 and £515,000. The Academy's current level of reserves is £253,391 of which £178,916 is unrestricted funds and £74,475 is restricted.

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

Investment Policy

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 Chief Financial Officer 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 99% 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 &

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

safety and discipline.

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 an external auditor (Bath and North East Somerset Council Audit Services) 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.

FUNDRAISING

The only fundraising undertaken by the academy is in the form of requests to students.

PLANS FOR FUTURE PERIODS

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

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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the Board of Trustees on 3 December 2019 and signed on their behalf by:



Mrs M Mooney
Chair of Trustees

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 Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
Y V Chadwick	4	4
J S Chen-Taylor	4	4
J D Dewey	4	4
C S George	4	4
B Hardy	3	4
C R Hildrew, Headteacher	4	4
M R Johnson	3	4
J Lawrence	2	4
L J Malik	2	3
S J Marshall	4	4
M B B Mooney	4	4
A K Oakley	4	4
C Way	0	1
J Kanaan	1	1
R E Thompson	4	4
A T Titerickx	3	4
S Tucker	3	4
S G Rawlins	1	1

Governance review

An external review of Governance was undertaken in 2018. A National Leader of Education was invited to conduct the review alongside the Governing Body. The review examined the structures and processes of Governance, and included a skills audit of the Governing Body.

The review made several recommendations for revisions to the structures of governance, the interface between senior leaders at the Academy and the Governing Body, clerking, agendas and minutes for meetings, and the culture of governance. As a result, the Governing Body was restructured in July 2018, and proceeded from September 2018 in a new structure. The Governing Body conducted an annual review in July 2019, with recommendations made for continued enhancement to the Board of Trustees' practice.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Resources & Finance Committee

Remit:

To undertake risk analyses and promote risk management in matters relating to the financial affairs and the estate of the Academy in its discharge of policies to achieve the aims and statutory and other duties of the Governing Body.

Membership:

- Trustees will be appointed to the Resources & Finance Committee at the final Full Governing Body meeting of the previous academic year.
- The Headteacher & Chair of Trustees will be automatic members of the Committee.
- There will be a minimum of eight Trustees on the Committee.
- The quorum for each meeting will not be less than three Trustees. The Chair of the Committee can defer proceedings if not quorate, should they feel it is in the interests of all parties.
- Trustees should have financial knowledge or appropriate training in order to be appointed to this Committee.

The work of the committee falls into three areas:

1. Finance and Risk
2. Health & Safety and Site Development
3. Human Resources

Finance and Risk:

The Resources & Finance Committee will, in conjunction with the Headteacher and Chief Financial Officer, formulate the Academy's financial strategy and establish an annual budget for recommendation to the Governing Body for approval. The Committee will monitor expenditure throughout the year and obtain reports from the Headteacher, Chief Financial Officer and others to be satisfied that the Trustees' responsibilities are carried out. Specifically:

1. Review the previous year's figures and any changes impacting on future income and expenditure.
2. Agree a draft budget and present this to the Governing Body for approval in accordance with the timetable required by the Education & Skills Funding Agency (ESFA).
3. Monitor monthly income and expenditure.
4. Have delegated authority to agree expenditure within the levels set in the Academy's Purchasing Policy.
5. Have delegated authority to agree virements of minor amounts between budget headings not exceeding 2% of the annual expenditure budget.
6. Consider and recommend to Trustees projects which will enhance curriculum provision and be funded from the delegated budget.
7. Set the agreed limit for each budget heading.
8. Provide an Annual Report in accordance with statutory Companies Act 2006 regulations and the accounts direction set by the ESFA.
9. 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.
10. Review the Risk Register for the Academy and offer suggestions and guidance to the Governing Body as a whole and its Committees to manage and mitigate these risks.
11. Oversee the effectiveness of Marketing by establishing priorities in line with agreed development or other goals and monitoring progress towards those priorities
12. Monitor the Academy's provision for Data Protection.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Health & Safety and Site Development:

The Resources & Finance Committee will, in conjunction with the Headteacher, Deputy Headteacher responsible for Health & Safety, and others, be responsible for monitoring the development and maintenance of the Academy site and recommending to the Governing Body improvements and further developments to meet the academic and community needs of the Academy. The Committee will obtain reports from the Headteacher and others in order to be satisfied that the Trustees' responsibilities are carried out. Specifically:

1. Receive and recommend to Trustees a planned programme for internal and external maintenance and development of the site and buildings, and monitor this programme.
2. Liaise with the Local Authority regarding dual use arrangements regarding the Sports Centre.
3. Have delegated powers to arrange support service contracts and be responsible for monitoring their operation.
4. Recommend to the Governing Body projects for capital development and liaise with the Education & Skills Funding Agency (ESFA) for funding of such projects.
5. Have delegated powers to ensure that the Trustees' responsibilities for Health & Safety are fulfilled, and provide an annual report for the Full Governing Body.

Human Resources:

The Resources & Finance Committee will have responsibility for HR matters. It will obtain information from the Headteacher, HR Advisor and others in order to be satisfied that Trustees' responsibilities are carried out. Specifically:

1. Have delegated powers for making appointments of full and part-time staff, staff on fixed term or temporary contracts, other than the Head and Deputy Heads, and offer all Trustees experience in the procedures for appointing staff. Trustees will routinely be involved in recruitment of staff in senior and senior middle leadership positions. For staff below the position of Director of Faculty or Head of House, appointments will be delegated to the Headteacher/SLT.
2. In conjunction with the Headteacher and SLT, to recommend the staffing complement and any changes and alterations as they arise, taking cognisance of resources.
3. Oversee staff welfare and well-being, communication and staff satisfaction, receiving systematic Staff Satisfaction Surveys.
4. Have delegated powers to authorise leave of absence (e.g. sabbatical), secondment of staff and staff leave.
5. Have delegated powers to consider staffing proposals and agree any proposed changes to the staffing proposals (within the remit delegated by the FGB). Determine implementation arrangements for staffing changes, including selection criteria and process for redundancy.
6. Ensure effective Disciplinary and Grievance Policies and Procedures for staff are in place and reviewed.

Within each remit, the Resource & Finance Committee will Review appropriate Academy Policy documents and recommend to the Governing Body re-adoption with any changes necessary or new policies as appropriate.

The end of year review of the achievements of the Committee reported as follows:

GREEN: Significant business of the committee fully completed to a high standard this year

- New Business & Careers role filled.
- New Admin and Reception area well underway with completion due in next few weeks.
- Support staff pay rise implemented in April.
- School Sports coordinator role abolished following consultation. Trustees' panel held.
- Numerous staff appointments approved.
- New Pupil Premium role approved and now filled.
- Management accounts produced monthly for Chair of Committee and Chair of Trustees so they can see any unusual or unexpected changes.
- Initial Budget for 2019-2020 approved. FGB to ratify.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- New Reserves policy approved. FGB to ratify.
- Latest CIF bid was successful winning £750k for a new 2 storey Resistant Materials building to be attached to the AD Building. Completion by Christmas.
- New MUGA area being built with completion by September increasing our sports facilities.
- Tudor now demolished and new car park build started.
- PDR Policy; Pay Policy; Purchasing Policy; Fraud Policy; Investment Policy; Gifts & Hospitality Policy; approved. FGB to ratify.

AMBER: Significant business of the committee still in progress or remaining under consideration

- Site & Facilities role – previous appointment failed checks so re-advertised.
- Cleaning contract still being considered.
- Greater focus on marketing & PR.
- Perimeter fencing and CCTV CIF bid declined. Failure due to lack of cash input by school. Revised bid to be submitted as fencing still required.

RED: Significant business of the committee causing concern

- Supply staff budget exceeded again – now set at £50k in new Budget as this more accurately reflects actual spending.
- Costs for perimeter CCTV and improved lighting still outstanding. As fencing bid was declined, we need to consider alternative cheaper options to improve site security. Ongoing.
- Stuart House recent structural survey has identified numerous concerns over internal walls. In short they are not fit for purpose. Working conditions are a concern. MJ attended a meeting with CRH; Mealings; Quattro; RMB & AB to discuss options. Ongoing.

Areas of challenge to SLT:

Supply staff monitoring & CCTV costings.

Attendance at Resources & Finance meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Chen-Taylor	2	3
B Hardy	3	3
C Hildrew	3	3
MJohnson	3	3
M Mooney	3	3
A Titcerickx	2	3
S Tucker	2	3
J Dewey	2	3
J Lawrence	2	3

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust's 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 period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2018 to 31 August 2019 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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

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

- Testing of Budgetary Control
- Testing of Income and Purchasing Procedures
- Testing of Governance

On a regular basis, the internal auditor reports to the Board of Trustees through the Resources and Finance Committee, on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

During the financial year 2018-19, there have been three internal audits covering the areas mentioned above. Trustees received three reports which recognised excellent practices across some of the audit areas. All recommended actions have been investigated and undertaken.

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 financial management and governance self-assessment process;
- 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 Resources and Finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3 December 2019 and signed on their behalf by:



Mrs M Mooney
Chair of Trustees



Mr C Hildrew
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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



Mr C Hildrew
Accounting Officer
Date: 3 December 2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 ESFA/DfE have been applied for the purposes intended.

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

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



Mrs M Mooney
Chair of Trustees
Date: 3 December 2019

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

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

OPINION

We have audited the financial statements of Churchill Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHURCHILL ACADEMY (CONTINUED)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHURCHILL ACADEMY (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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 opinions we have formed.

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: *11 December 2019*

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURCHILL
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Churchill Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Churchill Academy and ESFA, 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURCHILL
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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

Date: *11 December 2019*

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	2,015	162,280	742,928	907,223	787,473
Charitable activities	4	251,859	7,027,210	-	7,279,069	6,847,047
Other trading activities	5	45,902	-	-	45,902	48,630
Investments	6	5,672	-	-	5,672	2,782
TOTAL INCOME		305,448	7,189,490	742,928	8,237,866	7,685,932
EXPENDITURE ON:						
Raising funds		44,125	-	-	44,125	41,935
Charitable activities		392,028	7,362,995	1,914,396	9,669,419	7,699,170
TOTAL EXPENDITURE		436,153	7,362,995	1,914,396	9,713,544	7,741,105
Net (expenditure)/ income		(130,705)	(173,505)	(1,171,468)	(1,475,678)	(55,173)
Transfers between funds	18	-	(107,074)	107,074	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(130,705)	(280,579)	(1,064,394)	(1,475,678)	(55,173)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	25	(1,605,000)	-	-	(1,605,000)	740,000
NET MOVEMENT IN FUNDS		(1,735,705)	(280,579)	(1,064,394)	(3,080,678)	684,827
RECONCILIATION OF FUNDS:						
Total funds brought forward		309,616	(3,206,941)	21,812,456	18,915,131	18,230,304
Net movement in funds		(1,735,705)	(280,579)	(1,064,394)	(3,080,678)	684,827
TOTAL FUNDS CARRIED FORWARD		(1,426,089)	(3,487,520)	20,748,062	15,834,453	18,915,131

The Statement of Financial Activities includes all gains and losses recognised in the year.

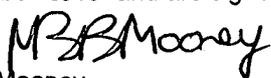
The notes on pages 25 to 48 form part of these financial statements.

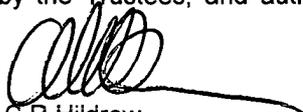
CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07687722

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	20,185,280	20,041,439
		<u>20,185,280</u>	<u>20,041,439</u>
CURRENT ASSETS			
Debtors	14	896,309	1,646,978
Cash at bank and in hand		974,594	1,334,746
		<u>1,870,903</u>	<u>2,981,724</u>
CREDITORS: amounts falling due within one year	15	(857,192)	(666,392)
NET CURRENT ASSETS		<u>1,013,711</u>	<u>2,315,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,198,991</u>	<u>22,356,771</u>
CREDITORS: amounts falling due after more than one year	16	(197,538)	(196,640)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>21,001,453</u>	<u>22,160,131</u>
Defined benefit pension scheme liability	25	(5,167,000)	(3,245,000)
TOTAL NET ASSETS		<u><u>15,834,453</u></u>	<u><u>18,915,131</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	18	20,748,062	21,812,456
Restricted income funds	18	74,480	38,059
		<u>20,822,542</u>	<u>21,850,515</u>
Restricted funds excluding pension asset	18	20,822,542	21,850,515
Pension reserve	18	(5,167,000)	(3,245,000)
Total restricted funds	18	<u>15,655,542</u>	<u>18,605,515</u>
Unrestricted income funds	18	<u>178,911</u>	<u>309,616</u>
TOTAL FUNDS		<u><u>15,834,453</u></u>	<u><u>18,915,131</u></u>

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue on 3 December 2019 and are signed on their behalf, by:


M B B Mooney
Chair of Trustees


C R Hildrew
Accounting Officer

The notes on pages 25 to 48 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	948,050	2,204,249
CASH FLOWS FROM INVESTING ACTIVITIES			
	22	(1,318,974)	(2,007,084)
CASH FLOWS FROM FINANCING ACTIVITIES			
	21	10,772	135,868
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
		(360,152)	333,033
Cash and cash equivalents at the beginning of the year		1,334,746	1,001,713
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
	23	974,594	1,334,746

The notes on pages 25 to 48 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

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

1.1 General information

Churchill Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is Churchill Green, Churchill, North Somerset, BS25 5QN.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Churchill Academy meets the definition of a public benefit entity under FRS 102.

1.3 GOING CONCERN

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

1.4 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 INCOME (CONTINUED)

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

• **Expenditure on raising funds**

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

• **Charitable activities**

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

1.6 OPERATING LEASES

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

1.7 TANGIBLE FIXED ASSETS

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 TAXATION

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.13 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administrative costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 26.

1.15 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 the funders where the asset acquired or created is held for a specific purpose.

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	2,015	55,206	57,221	27,196
Capital Grants	-	850,002	850,002	760,277
	<u>2,015</u>	<u>905,208</u>	<u>907,223</u>	<u>787,473</u>
TOTAL 2018	<u>13,078</u>	<u>774,395</u>	<u>787,473</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA Grants				
General Annual Grant	-	6,737,723	6,737,723	6,409,614
Other DfE/ESFA grants	-	200,594	200,594	204,077
	-	6,938,317	6,938,317	6,613,691
Other Government Grants				
High Needs	-	51,643	51,643	49,650
	-	51,643	51,643	49,650
Other funding				
School trips, music tuition and other income	187,257	37,250	224,507	118,391
Commission received from catering contract	25,305	-	25,305	28,907
Sales to students	28,564	-	28,564	26,153
Income from hosting trainee teachers	10,733	-	10,733	10,255
	251,859	7,027,210	7,279,069	6,847,047
TOTAL 2018	168,006	6,679,041	6,847,047	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from school productions	29,507	29,507	31,307
Letting and hire	16,395	16,395	16,655
Consultancy	-	-	668
	45,902	45,902	48,630

All prior year amounts relate to unrestricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	5,672	5,672	2,782

All prior year amounts relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising funds	11,788	2,830	29,507	44,125	41,935
Activities:					
Direct costs	5,163,716	402,545	784,239	6,350,500	5,954,225
Support costs	845,441	392,741	2,080,737	3,318,919	1,744,945
TOTAL 2019	6,020,945	798,116	2,894,483	9,713,544	7,741,105
TOTAL 2018	5,858,886	970,349	911,870	7,741,105	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	6,350,500	3,318,919	9,669,419	7,699,170
TOTAL 2018	5,954,225	1,744,945	7,699,170	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	43,000	41,850
Staff costs	5,176,425	4,955,532
Depreciation	402,544	354,909
Educational supplies	160,624	162,057
Examination fees	143,031	128,975
Staff development	7,990	14,150
Educational visits	251,403	184,056
Supply teachers	90,291	78,384
Technology costs	75,192	34,312
	<u>6,350,500</u>	<u>5,954,225</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	50,000	51,150
Staff costs	966,441	816,626
Depreciation	67,080	54,527
Support staff agency costs	12,122	4,231
Recruitment and support	20,553	17,094
Maintenance of premises and equipment	223,789	292,570
Cleaning	142,714	134,716
Rent and rates	43,910	41,505
Energy costs	119,739	93,630
Insurance	28,372	32,155
Security and transport	14,810	9,094
Catering	18,549	15,200
Technology costs	77,728	75,169
Office overheads and publicity	37,491	36,086
Legal and professional	38,203	57,384
Bank interest and charges	1,321	1,658
Demolition cost and house sale	1,444,772	-
Governance	11,325	12,150
	3,318,919	1,744,945

9. NET EXPENDITURE

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	469,625	409,436
Fees paid to auditors for:		
- audit	8,825	8,100
- other services	2,475	2,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	4,642,649	4,460,760
Social security costs	439,876	422,332
Pension costs	1,069,862	896,960
	<u>6,152,387</u>	<u>5,780,052</u>
Staff restructuring costs	2,267	-
Supply teacher costs	90,291	78,834
	<u>6,244,945</u>	<u>5,858,886</u>

Included in staff restructuring costs are non-contractual severance payments totalling £2,267 (2018: £Nil). This was paid to one individual.

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	92	92
Admin and support	67	71
Management	6	6
	<u>165</u>	<u>169</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	81	81
Administration and support	41	42
Management	6	6
	<u>128</u>	<u>129</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	1
	<u> </u>	<u> </u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £514,966 (2018: £492,338).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the Key Management Personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by Key Management Personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, 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: C Hildrew Remuneration £85,000-£90,000 (2018: £80,000-£85,000) Employer's pension contributions £10,000-£15,000 (2018: £10,000-£15,000); S Marshall Remuneration £25,000-£30,000 (2018: £25,000-£30,000) Employer's pension contributions £Nil-£5,000 (2018: £Nil-£5,000); Y Chadwick Remuneration £50,000-£55,000 (2018: £45,000-£50,000) Employer's pension contributions £5,000-£10,000 (2018: £Nil); S Tucker Remuneration £40,000-£45,000 (2018: £35,000-£40,000) Employer's pension contributions £5,000-£10,000 (2018: £5,000-£10,000); R Thompson Remuneration £30,000-£35,000 (2018: £30,000-£35,000) Employer's pension contributions £5,000-£10,000 (2018: £Nil-£5,000). Other related party transactions involving the Trustees are set out in note 29.

During the year, no Trustees received any benefits in kind (2018: £Nil).

During the year ended 31 August 2019, expenses totalling £834 were reimbursed or paid directly to 7 Trustees (2018 - £452 to 3 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2018	22,133,832	43,835	73,677	483,656	22,735,000
Additions	2,286,475	2,489	-	61,109	2,350,073
Disposals	(2,056,276)	-	(9,335)	-	(2,065,611)
At 31 August 2019	<u>22,364,031</u>	<u>46,324</u>	<u>64,342</u>	<u>544,765</u>	<u>23,019,462</u>
DEPRECIATION					
At 1 September 2018	2,237,572	40,344	34,058	381,587	2,693,561
Charge for the year	390,577	1,642	8,843	68,563	469,625
On disposals	(329,004)	-	-	-	(329,004)
At 31 August 2019	<u>2,299,145</u>	<u>41,986</u>	<u>42,901</u>	<u>450,150</u>	<u>2,834,182</u>
NET BOOK VALUE					
At 31 August 2019	<u><u>20,064,886</u></u>	<u><u>4,338</u></u>	<u><u>21,441</u></u>	<u><u>94,615</u></u>	<u><u>20,185,280</u></u>
At 31 August 2018	<u><u>19,896,260</u></u>	<u><u>3,491</u></u>	<u><u>39,619</u></u>	<u><u>102,069</u></u>	<u><u>20,041,439</u></u>

14. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	27,628	50,769
VAT recoverable	114,699	148,279
Other debtors	4,045	3,111
Prepayments and accrued income	749,937	1,444,819
	<u><u>896,309</u></u>	<u><u>1,646,978</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
ESFA loans	49,102	39,228
Trade creditors	134,782	154,041
Other taxation and social security	114,329	111,401
Other creditors	18,684	14,932
Accruals and deferred income	540,295	346,790
	<u>857,192</u>	<u>666,392</u>
	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	66,510	60,029
Resources deferred during the year	96,696	66,510
Amounts released from previous periods	(66,510)	(60,029)
Deferred income at 31 August 2019	<u>96,696</u>	<u>66,510</u>

At the balance sheet date the Academy was holding funds received in advance for educational visits and music tuition for the academic year 2019/20.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
ESFA loans	<u>197,538</u>	<u>196,640</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Repayable by instalments	<u>38,834</u>	<u>58,251</u>

Included within ESFA loans is a Condition Improvement Fund (CIF) loan of £100,000 repayable in monthly instalments over 5 years with an applicable annual interest rate of 1.75%.

During the 2017/18 year the Academy received a Salix loan of £155,366. This is repayable in biannual instalments over 8 years.

During the 2018/19 year an additional Condition Improvement Fund (CIF) loan of £50,000 was received, repayable in monthly instalments over 5 years with an applicable annual interest rate of 1.75%.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>1,652,356</u>	<u>2,780,755</u>
	2019	2018
	£	£
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(686,643)</u>	<u>(473,603)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, accrued income and other sundry debtors.

Financial liabilities measured at amortised cost comprise trade creditors, 16-19 bursary creditor, accrued expenditure, loans from the ESFA and other sundry creditors.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	309,616	305,448	(436,153)	-	-	178,911
Restricted funds						
General Annual Grant	-	6,748,849	(6,688,356)	-	-	60,493
High Needs	3,581	51,643	(54,073)	-	-	1,151
Donations	-	5,206	(5,206)	-	-	-
Pupil premium	34,478	183,430	(217,908)	-	-	-
Year 7 catch up	-	16,488	(16,488)	-	-	-
Sports England Grant	-	26,800	(15,294)	-	-	11,506
Wolfson Grant	-	50,000	(48,670)	-	-	1,330
Devolved Formula Capital	-	107,074	-	(107,074)	-	-
Pension reserve	(3,245,000)	-	(317,000)	-	(1,605,000)	(5,167,000)
	<u>(3,206,941)</u>	<u>7,189,490</u>	<u>(7,362,995)</u>	<u>(107,074)</u>	<u>(1,605,000)</u>	<u>(5,092,520)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	16,532,668	-	(1,444,777)	-	-	15,087,891
Fixed assets purchased from GAG and other restricted funds	5,279,788	742,928	(469,619)	107,074	-	5,660,171
	<u>21,812,456</u>	<u>742,928</u>	<u>(1,914,396)</u>	<u>107,074</u>	<u>-</u>	<u>20,748,062</u>
TOTAL RESTRICTED FUNDS	<u>18,605,515</u>	<u>7,932,418</u>	<u>(9,277,391)</u>	<u>-</u>	<u>(1,605,000)</u>	<u>15,655,542</u>
TOTAL FUNDS	<u>18,915,131</u>	<u>8,237,866</u>	<u>(9,713,544)</u>	<u>-</u>	<u>(1,605,000)</u>	<u>15,834,453</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS (CONTINUED)

The General Annual Grant represents funding received from the ESFA during the period in order to fund the continuing activities of the Academy. During the year £Nil (2018: £80,263) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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

Donations represents contributions received towards the costs of educational trips.

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

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

Devolved formula capital represents funds received from the DfE/ESFA for capital projects.

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

Other restricted funds represent amounts received from other schools for the reimbursement of teacher costs.

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 other restricted funds represent amounts spent on fixed assets from the GAG funding received from the ESFA. It also includes amounts spent on fixed assets from devolved formula capital and Condition Improvement Fund (CIF) grants.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS					
General Funds	290,640	232,496	(213,520)	-	309,616
RESTRICTED GENERAL FUNDS					
General Annual Grant	339,438	6,410,279	(6,665,076)	-	-
High Needs	2,794	49,650	(48,863)	-	3,581
Donations	-	14,118	(14,118)	-	-
Pupil premium	30,458	192,662	(188,642)	-	34,478
Year 7 catch up	-	10,750	(10,750)	-	-
Sports England Grant	-	15,700	(15,700)	-	-
Devolved Formula Capital	-	29,853	-	-	-
Pension reserve	(3,810,000)	-	(175,000)	740,000	(3,245,000)
	<u>(3,437,310)</u>	<u>6,723,012</u>	<u>(7,118,149)</u>	<u>740,000</u>	<u>(3,206,941)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	16,532,668	-	-	-	16,532,668
Fixed assets purchased from GAG and other restricted funds	4,844,306	730,424	(409,436)	-	5,279,788
	<u>21,376,974</u>	<u>730,424</u>	<u>(409,436)</u>	<u>-</u>	<u>21,812,456</u>
TOTAL RESTRICTED FUNDS	<u>17,939,664</u>	<u>7,453,436</u>	<u>(7,527,585)</u>	<u>740,000</u>	<u>18,605,515</u>
TOTAL FUNDS	<u><u>18,230,304</u></u>	<u><u>7,685,932</u></u>	<u><u>(7,741,105)</u></u>	<u><u>740,000</u></u>	<u><u>18,915,131</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	20,185,280	20,185,280
Current assets	178,911	1,129,210	562,782	1,870,903
Creditors due within one year	-	(857,192)	-	(857,192)
Creditors due in more than one year	-	(197,538)	-	(197,538)
Provisions for liabilities and charges	-	(5,167,000)	-	(5,167,000)
TOTAL	178,911	(5,092,520)	20,748,062	15,834,453

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	20,041,439	20,041,439
Current assets	226,729	901,091	1,853,904	2,981,724
Creditors due within one year	82,887	(666,392)	(82,887)	(666,392)
Creditors due in more than one year	-	(196,640)	-	(196,640)
Provisions for liabilities and charges	-	(3,245,000)	-	(3,245,000)
TOTAL	309,616	(3,206,941)	21,812,456	18,915,131

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,475,678)	(55,173)
ADJUSTMENTS FOR:		
Depreciation	469,624	409,436
Capital grants from DfE and other capital income	(742,928)	(730,424)
Interest receivable	(5,672)	(2,782)
Decrease in debtors	750,669	2,124,491
Increase in creditors	180,926	283,701
Defined benefit pension scheme cost less contributions payable	224,000	82,000
Defined benefit pension scheme finance cost	93,000	93,000
(Gain)/loss on sale of assets	1,454,109	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	948,050	2,204,249

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Repayments of borrowing	(39,228)	(19,468)
Cash inflows from new borrowings	50,000	155,336
NET CASH PROVIDED BY FINANCING ACTIVITIES	10,772	135,868

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest receivable	5,672	2,782
Purchase of tangible fixed assets	(2,350,074)	(2,740,290)
Proceeds from the sale of tangible fixed assets	282,500	-
Capital grants from DfE Group	742,928	730,424
NET CASH USED IN INVESTING ACTIVITIES	(1,318,974)	(2,007,084)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	974,594	1,334,746
	<u>974,594</u>	<u>1,334,746</u>

24. CAPITAL COMMITMENTS

At 31 August 2019 the Academy had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>634,817</u>	<u>-</u>

25. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' 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 multi-employer defined benefit schemes.

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

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

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £571,622 (2018 - £556,611).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £331,000 (2018 - £326,000), of which employer's contributions totalled £269,000 (2018 - £258,000) and employees' contributions totalled £ 62,000 (2018 - £68,000). The agreed contribution rates for future years are 14.8 - 18.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	3.6

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.7	23.5
Females	26.2	26.1
<i>Retiring in 20 years</i>		
Males	26.3	26.2
Females	29	28.8

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	198	150
Mortality assumption - 1 year increase	(169)	(128)
CPI rate+0.1%	(202)	(153)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	1,972,000	1,455,000
Corporate bonds	459,000	888,000
Property	232,000	345,000
Cash and other liquid assets	51,000	141,000
Other	1,501,000	883,000
TOTAL MARKET VALUE OF ASSETS	4,215,000	3,712,000

The actual return on scheme assets was £[enter amount] (2018 - £162,000).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018
Current service cost	(298,000)	(340,000)
Past service cost	(195,000)	-
Interest income	102,000	77,000
Interest cost	(195,000)	(170,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(586,000)	(433,000)

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

	2019 £	2018 £
Opening defined benefit obligation	6,957,000	7,115,000
Interest cost	195,000	170,000
Employee contributions	62,000	68,000
Actuarial losses/(gains)	1,761,000	(660,000)
Benefits paid	(86,000)	(76,000)
Past service costs	195,000	-
Current service cost	298,000	340,000
AT 31 AUGUST	9,382,000	6,957,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	3,712,000	3,305,000
Interest income	107,000	82,000
Actuarial gain	156,000	80,000
Employer contributions	269,000	258,000
Employee contributions	62,000	68,000
Benefits paid	(86,000)	(76,000)
Administration expenses	(5,000)	(5,000)
AT 31 AUGUST	4,215,000	3,712,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	24,375	13,533
Later than 1 year and not later than 5 years	45,424	83,785
	<u>69,799</u>	<u>97,318</u>

27. 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.

28. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £13,515 (2018: £13,306) and disbursed £10,816 (2018: £12,994). An amount of £14,145 (2018: £12,122) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

29. RELATED PARTY TRANSACTIONS

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

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 organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.