

Company Registration Number: 07687722 (England & Wales)

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



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

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees and Members I T Poole (resigned 29 March 2018)^{1,2,3,4,5}
C D Shorland (resigned 14 November 2017)³
C R Hildrew, Headteacher^{1,2,3,4,5}
A K Oakley^{1,4}
J S Chen-Taylor³
J Dewey¹
J Lawrence^{1,3}
L J Malik^{2,5}
M B B Mooney^{1,4,5}
P O'Connor (resigned 21 March 2018)³
M J Payne (resigned 4 December 2017)³
T W Roberts (resigned 14 October 2017)^{1,2}
G Turner (resigned 11 February 2018)^{1,3,5}
Y V Chadwick (appointed 1 September 2017)
C S George (appointed 1 October 2017)
B Hardy (appointed 13 March 2018)
M R Johnson (appointed 5 December 2017)
S J Marshall (appointed 13 September 2017)
S G Rawlins (appointed 5 December 2017)
R E Thompson (appointed 11 January 2018)
A T Titerickx (appointed 27 April 2018)
S M Tucker (appointed 20 April 2018)
A M Page (appointed 3 November 2017, resigned 26 March 2018)

- ¹ Strategic and Planning Committee
- ² Curriculum and Behaviour Committee
- ³ Finance and Premises Committee
- ⁴ Personnel Committee
- ⁵ Pay Committee

Company registered number 07687722

Company name Churchill Academy

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

Company secretary C Hildrew, Headteacher

Accounting Officer C Hildrew

Senior Leadership Team

C Hildrew, Headteacher
R M Branch, Deputy Headteacher
F Dawes, Deputy Headteacher
R Morgan, Assistant Headteacher / Sixth Form
L McKay, Assistant Headteacher / Director of Student Welfare
J Gill, Assistant Headteacher / Teaching and Learning

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
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Bankers	Lloyds Bank plc Bath Street Cheddar Somerset BS27 3AB
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Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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**CHURCHILL ACADEMY
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and Auditors' Report of the Charitable Company for the year ended 31 August 2018. 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 1,473 in the school census on 1 April 2018.

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.

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 2018**

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 5 committees as follows;

- **Strategic and Planning Committee**
Meeting frequency – at least three times per year
Purpose - To ensure that the Academy is following the strategic direction established by the Governing Body; and to keep all aspects of the Academy's performance under review and support overall improvement activity within the school working closely with the SLG and other focused Governors' Sub-Committees. This group also act as the Admissions Committee for the Board of Trustees.
- **Curriculum and Behaviour Committee**
Meeting frequency – at least three times per year
Purpose - To evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Finance and Premises Committee**
Meeting Frequency – at least four times per year
Purpose - Responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the internal reviewer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. Health and Safety, site and premises are also within the remit of this committee
- **Personnel Committee**
Meeting Frequency – at least four times per year
Purpose - The Committee will have responsibility for all staffing matters. It will obtain information from the Headteacher and others in order to be satisfied that Trustees' responsibilities are carried out.
- **Pay Committee**
Meeting frequency – at least once per year
Purpose – to agree and authorise pay related matters.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual School Improvement Action Plan and Academy 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 staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT).

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

The Senior Leadership 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 Advisor, Network Manager and Site Manager.

The Headteacher, Chief Financial Officer and Finance and Premises 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 Governor.

Following a review of Governance in 2018, the Governing Body has been restructured for 2018-19.

The Headteacher 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 leadership personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

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

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

Connected Organisations, including Related Party Relationships

Greenwich Leisure Ltd 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 vision is "to set no limits on what we can achieve." The Academy's vision is supported by three values: kindness, curiosity and determination.

The Academy's priorities in 2017-18 were to implement the vision and values outlined above in order to achieve our core purpose: to inspire and enable young people to make a positive difference.

Objectives, Strategies and Activities

The six priorities during the year ended 31 August 2018 were:

- To ensure the very best behaviour and conduct from all students
- To develop teaching and learning approaches to maximise student progress
- To secure exceptional pastoral care for all students
- To develop leadership capacity within the Academy
- To redevelop the Academy learning environment
- To develop sustainable partnership working with local schools

Public Benefit

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

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

The Academy is heavily oversubscribed. There were 452 applicants for the 270 places available in year 7.

Examination results for 2018 represented the best A-level results in a number of years. At A level the average point score per entry (DfE) was 36.3; the average grade was B-. At GCSE the Attainment 8 score was 49.99 whilst 54.3% of students achieved a strong pass or better in both English and Maths. Both these measures are improved from the previous year.

During the year the Academy has been in the process of completing a new Science and Technology Block, the Athene Donald Building, which is due to open in January 2019, funded by a CIF bid. Further CIF funding was received to demolish the existing Science building, which is in poor condition. The Academy has also completed a project to install photovoltaic panels across the site to improve energy efficiency.

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 2018 was £-.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 1,473; an increase of 26 over 2017. It is anticipated that this number will continue to rise.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018 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 2018, total expenditure of £7,741,105 was covered by recurrent grant funding from the DfE, together with other incoming resources totalling £7,685,932. The excess of expenditure over income for the year (excluding restricted fixed asset funds and pension) was £201,161.

At 31 August 2018 the net book value of fixed assets was £20,041,439 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The 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 £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. 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 £347,675 of which £309,616 is unrestricted funds and £38,059 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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 97% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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.

Following the notification of a successful capital funding bid, the Academy will complete the construction of the new Science and Technology block in the 2018-19 year, and the demolition of the original building.

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the Trustees are aware:

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

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 4 December 2018 and signed on the board's 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	3	4
J S Chen-Taylor	3	4
J Dewey	3	4
C S George	2	3
B Hardy	2	2
C R Hildrew, Headteacher	4	4
M Johnson	3	3
J Lawrence*	1	4
L J Malik	2	4
S J Marshall	4	4
M B B Mooney	4	4
A K Oakley	3	4
P O'Connor	1	3
A M Page	1	2
M J Payne	1	1
I T Poole	3	3
S G Rawlins	1	3
T W Roberts	1	1
C D Shorland	1	1
R E Thompson	2	2
A T Titerickx	1	1
S M Tucker	1	1
G Turner	2	2

*Sabbatical January - June 2018

Note that Ian Poole stood down as Chair of the Governing Body at the end of his term of office in March, with Maggie Mooney elected as Chair going forward.

Governance review

Following the appointment of a new Chair of Governors in March 2018, a full review of Governance was undertaken. 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 will proceed from

GOVERNANCE STATEMENT (continued)

September 2018 in a new structure. The Governing Body also agreed to conduct annual self-evaluation, with the next review due to take place in July 2019.

Finance and Premises Committee

The Finance and Premises Committee is a sub committee of the main Board of Trustees. Its purpose is to undertake risk analyses and promote risk management in matters relating to the financial affairs and estate of the Academy in its discharge of policies to achieve the aims and statutory and other duties of the Governing Body:

1. In conjunction with the Headteacher and Chief Financial Officer, the committee will formulate the School's financial strategy and establish an annual budget for recommendation to the Governing Body for approval. It will monitor expenditure throughout the year and obtain reports from the Headteacher, Chief Financial Officer and others to be satisfied that the Governors' responsibilities are carried out.

Specifically:

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

2. Be responsible for monitoring the development and maintenance of the school site and recommending to the Governing Body improvements and further developments to meet the academic and community needs of the school. Review and update the Academy's Site Master Plan. Obtain reports from the Headteacher and others in order to be satisfied that the Governors' responsibilities are carried out.

Specifically:

- Receive and recommend to Governors a planned programme for internal and minor external maintenance and development and monitor this programme.
- Liaise with the Local Authority regarding dual use arrangements regarding the Sports Centre.
- Have delegated powers to arrange support service contracts and be responsible for monitoring their operation.
- Recommend to the Governing Body projects for capital development and liaise with the ESFA for funding of such projects.
- Pursue opportunities for project funding from national and local initiatives and sponsors.
- Monitor progress and expenditure on development projects.
- Monitor repair/maintenance programmes initiated by the Head within the limitations delegated to him.
- Have delegated powers to ensure that the Governors' responsibilities for Health & Safety are fulfilled.
- Annually review the Health and Safety provision and provide an annual report for the Full Governing Body.
- Review appropriate School Policy Documents and recommend to the Governing Body re-adoption with any necessary changes or new policies as appropriate.

3. 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.

GOVERNANCE STATEMENT (continued)

Statutory governance responsibilities managed by this committee:

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

Main areas of achievement – in order of achievement:

- End of year accounts approved and signed off (December 2017 FGB).
- 2017-2018 Budget approved.
- Draft budget 2018-2019 Scenario C approved to go to FGB in July.
- Photovoltaic Panels project approval.
- Audits completed: Payroll (level 5 highest rating), Value for money (highest assurance rating), information governance (satisfactory report with work to do).
- Benchmarking exercise completed.
- Additional Bank savings accounts approved to spread Academy funds to enjoy greater FSCA deposit protection and greater interest rate.
- Athene Donald Building (new Science block) construction.
- Draft procurement document prepared to allow the Academy to continue to use Mealings as its main contractor.
- Purchase Order – huge reduction in the number of orders submitted to Finance without Purchase Orders.
- Support Staff pay award approved & actioned.
- Recruitment of additional teachers in Maths & Humanities – agreed but process challenged.
- Business Management review following restructure with agreement to make temporary roles permanent.
- Amendments to Dual Use Agreement with North Somerset re the Sports Centre approved.
- GDPR compliance work completed.
- Business Continuity Plan.
- CIF3a bid successful. Investment of demolition money agreed.
- Lockdown procedures finalised and tested.
- Agreement to five year lease of a new minibus.
- Development plan challenge & review: Redevelop the Academy Learning Environment.
- No significant Health & Safety issues reported or of concern.
- Review of insurance provision and agreement to move to Zurich from RPA when existing cover period ends.

Areas of development

- Altuity – inventory and asset disposal system to finish being populated
- Canopy – outside area; joint funding with PTA agreed but on hold at present due to review of site plan and current works.
- Site Security – discussions ongoing re a perimeter fence.
- Sale of School House in progress.
- Supply budget review and recommendations.
- Site planning review and programme of works.
- Ground works to Boardwalk started.
- Initial drawings and plans for location of new Reception and admin offices completed.

General comments on work of the Committee:

The Committee has once again addressed a number of significant financial challenges over this current year and has recognised that there are still significant challenging times ahead. However, the plan to achieve the long-term financial sustainability of the Academy has been implemented.

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

GOVERNANCE STATEMENT (continued)

Overall assessment of the contribution of the Committee:

Highly effective

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jecettinne Chen-Taylor	5	5
Ben Hardy	0	1
Chris Hildrew	5	5
Matthew Johnson	2	2
Maggie Mooney	2	2
P O'Connor	2	3
Mark Payne	2	2
Ian Poole	3	3
Chris Shorland	2	2
Rachel Thompson	1	1
Graham Turner	3	3

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
- 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.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Churchill Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

- Testing of HR & payroll systems
- Testing of Information Governance & Credit Card Processes
- Testing of Value for Money & Account system reconciliations.

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

During the financial year 2017-18, 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.

GOVERNANCE STATEMENT (continued)

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:

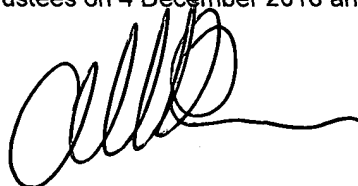
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal reviewer 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 4 December 2018 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 Trust Board of Trustees and the Education Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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: 4 December 2018

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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: 4 December 2018

**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 2018 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 2017 to 2018 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 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR 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 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.

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. 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.

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

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

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 and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy 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 Statement of Trustees' Responsibilities, 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**

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.



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: 14 March 2019

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

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

In accordance with the terms of our engagement letter dated 21 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Churchill Academy and the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. 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 AUDITORS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

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

Date: *14 December 2018*

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	13,078	43,971	730,424	787,473	3,914,744
Charitable activities	3	168,006	6,679,041	-	6,847,047	6,821,668
Other trading activities	4	48,630	-	-	48,630	43,397
Investments	5	2,782	-	-	2,782	4,121
TOTAL INCOME		232,496	6,723,012	730,424	7,685,932	10,783,930
EXPENDITURE ON:						
Raising funds		41,935	-	-	41,935	30,980
Charitable activities		171,585	7,118,149	409,436	7,699,170	7,461,547
TOTAL EXPENDITURE	6	213,520	7,118,149	409,436	7,741,105	7,492,527
NET BEFORE TRANSFERS		18,976	(395,137)	320,988	(55,173)	3,291,403
Transfers between Funds	18	-	(114,494)	114,494	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		18,976	(509,631)	435,482	(55,173)	3,291,403
Actuarial gains/(losses) on defined benefit pension schemes	23	740,000	-	-	740,000	370,000
NET MOVEMENT IN FUNDS		758,976	(509,631)	435,482	684,827	3,661,403
RECONCILIATION OF FUNDS:						
Total funds brought forward		290,640	(3,437,310)	21,376,974	18,230,304	14,568,901
TOTAL FUNDS CARRIED FORWARD		1,049,616	(3,946,941)	21,812,456	18,915,131	18,230,304

The notes on pages 26 to 49 form part of these financial statements.

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

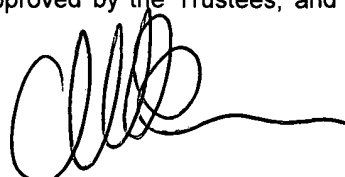
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		20,041,439		17,710,585
CURRENT ASSETS					
Debtors	14	1,646,978		3,771,469	
Cash at bank and in hand		1,334,746		1,001,713	
		<u>2,981,724</u>		<u>4,773,182</u>	
CREDITORS: amounts falling due within one year	15	(666,392)		(363,463)	
NET CURRENT ASSETS			<u>2,315,332</u>		<u>4,409,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,356,771</u>		<u>22,120,304</u>
CREDITORS: amounts falling due after more than one year	16		(196,640)		(80,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>22,160,131</u>		<u>22,040,304</u>
Defined benefit pension scheme liability	23		(3,245,000)		(3,810,000)
NET ASSETS			<u><u>18,915,131</u></u>		<u><u>18,230,304</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	38,059		372,690	
Fixed asset funds	18	21,812,456		21,376,974	
		<u>21,850,515</u>		<u>21,749,664</u>	
Restricted funds excluding pension liability					
Pension reserve		(3,245,000)		(3,810,000)	
		<u></u>		<u></u>	
Total restricted funds			18,605,515		17,939,664
Unrestricted funds	18		309,616		290,640
TOTAL FUNDS			<u><u>18,915,131</u></u>		<u><u>18,230,304</u></u>

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:



Mrs M Mooney
Chair of Trustees



Mr C Hildrew
Accounting Officer

The notes on pages 26 to 49 form part of these financial statements.

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>2,204,249</u>	<u>(131,190)</u>
Cash flows from investing activities:			
Interest received		2,782	4,121
Purchase of tangible fixed assets		(2,740,290)	(1,398,450)
Capital grants from DfE and other capital income		730,424	954,430
Net cash used in investing activities		<u>(2,007,084)</u>	<u>(439,899)</u>
Cash flows from financing activities:			
Repayments of borrowings		(19,468)	-
Cash inflows from new borrowing		155,336	100,000
Net cash provided by financing activities		<u>135,868</u>	<u>100,000</u>
Change in cash and cash equivalents in the year		333,033	(471,089)
Cash and cash equivalents brought forward		<u>1,001,713</u>	<u>1,472,802</u>
Cash and cash equivalents carried forward		<u><u>1,334,746</u></u>	<u><u>1,001,713</u></u>

The notes on pages 26 to 49 form part of these financial statements.

CHURCHILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Churchill Academy constitutes a public benefit entity as defined by 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

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

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

Capital grants are recognised in full when there is entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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 fixtures	-	20% straight line
Plant and equipment	-	20% straight line
Assets under construction	-	not depreciated

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 basis are as follows:

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in 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 instruments.

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.

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 net income / expenditure 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/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.

1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2018. 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.

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(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	13,078	14,118	-	27,196	29,265
Capital Grants	-	29,853	730,424	760,277	3,885,479
	<u>13,078</u>	<u>43,971</u>	<u>730,424</u>	<u>787,473</u>	<u>3,914,744</u>
Total 2017	<u>11,100</u>	<u>47,787</u>	<u>3,855,857</u>	<u>3,914,744</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	6,409,614	6,409,614	6,404,017
Other DfE/ESFA grants	-	204,077	204,077	205,424
	<u>-</u>	<u>6,613,691</u>	<u>6,613,691</u>	<u>6,609,441</u>
Other Government grants				
High Needs	-	49,650	49,650	40,052
	<u>-</u>	<u>49,650</u>	<u>49,650</u>	<u>40,052</u>
Other funding				
Income from hosting trainee teachers	10,255	-	10,255	8,634
School trips, music tuition and other income	102,691	15,700	118,391	116,065
Sales to students	26,153	-	26,153	22,476
Commission received from catering contract	28,907	-	28,907	25,000
	<u>168,006</u>	<u>15,700</u>	<u>183,706</u>	<u>172,175</u>
	<u>168,006</u>	<u>6,679,041</u>	<u>6,847,047</u>	<u>6,821,668</u>
Total 2017	<u>152,523</u>	<u>6,669,145</u>	<u>6,821,668</u>	

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings and hire	16,655	-	16,655	18,156
Consultancy	668	-	668	486
Income from school productions	31,307	-	31,307	24,755
	<u>48,630</u>	<u>-</u>	<u>48,630</u>	<u>43,397</u>
Total 2017	<u>43,397</u>	<u>-</u>	<u>43,397</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	2,782	-	2,782	4,121
Total 2017	<u>4,121</u>	<u>-</u>	<u>4,121</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	7,894	2,734	31,307	41,935	30,980
Activities:					
Direct costs	5,033,916	320,397	599,912	5,954,225	5,816,765
Support costs	817,076	647,218	280,651	1,744,945	1,644,782
	<u>5,858,886</u>	<u>970,349</u>	<u>911,870</u>	<u>7,741,105</u>	<u>7,492,527</u>
Total 2017	<u>5,862,275</u>	<u>787,703</u>	<u>884,549</u>	<u>7,534,527</u>	

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Total 2018	Total 2017
Pension finance costs	41,850	34,617
Educational supplies	162,057	165,331
Examination fees	128,975	113,829
Staff development	14,150	7,751
Educational visits	184,056	169,232
Supply teachers	78,384	35,913
Technology costs	34,312	23,665
Wages and salaries	3,910,048	3,952,892
National insurance	377,299	363,154
Pension cost	668,185	633,908
Depreciation	354,909	316,473
	5,954,225	5,816,765
Total 2017	5,816,765	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	51,150	52,383
Support staff agency costs	4,231	4,110
Recruitment and support	17,094	17,058
Maintenance of premises and equipment	292,570	165,921
Cleaning	134,716	134,362
Rent and rates	41,505	33,297
Energy costs	93,630	83,929
Insurance	32,155	32,780
Security and transport	9,094	12,016
Catering	15,200	19,374
Technology costs	75,169	61,327
Office overheads and publicity	36,086	39,073
Legal and professional	57,384	50,432
Bank interest and charges	1,658	96
Governance	12,150	11,780
Wages and salaries	542,818	555,724
National insurance	45,033	40,581
Pension cost	228,775	276,049
Depreciation	54,527	54,490
	1,744,945	1,644,782
Total 2017	1,644,782	

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	409,436	370,964
Auditors' remuneration - audit	8,100	7,875
Auditors' remuneration - non-audit	2,000	1,425
Operating lease rentals	21,878	21,878
	<u>21,878</u>	<u>21,878</u>

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,453,547	4,469,663
Social security costs	422,332	403,735
Operating costs of defined benefit pension schemes	896,960	909,957
	<u>5,772,839</u>	<u>5,783,355</u>
Apprenticeship levy	7,213	3,007
Staff restructuring	-	40,000
Supply teacher costs	78,834	35,913
	<u><u>5,858,886</u></u>	<u><u>5,862,275</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £Nil (2017: £23,355). The payment has been made from restricted GAG income.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	92	93
Administration and support	71	81
Management	6	7
	<u>169</u>	<u>181</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	81	82
Administration and support	42	49
Management	6	7
	<u>129</u>	<u>138</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

e. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not received 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 and national insurance contributions) received by key management personnel for their services to the Academy was £492,338 (£2017: £610,905)

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 (2017: £80,000-£85,000) Employer's pension contributions £10,000-£15,000 (2017: £10,000-£15,000); P O'Connor Remuneration £45,000-£50,000 (2017: £45,000-£50,000) Employer's pension contributions £5,000-£10,000 (2017: £5,000-£10,000); C Shorland Remuneration £35,000-£40,000 (2017: £40,000-£45,000) Employer's pension contributions £5,000-£10,000 (2017: £5,000-£10,000); S Marshall Remuneration £25,000-£30,000 (2017: £Nil) Employer's pension contributions £Nil-£5,000 (2017: £Nil); Y Chadwick Remuneration £45,000-£50,000 (2017: £Nil) Employer's pension contributions £5,000-£10,000 (2017: £Nil); S Tucker Remuneration £35,000-£40,000 (2017: £Nil) Employer's pension contributions £5,000-£10,000 (2017: £Nil); R Thompson Remuneration £30,000-£35,000 (2017: £Nil) Employer's pension contributions £Nil-£5,000 (2017: £Nil). Other related party transactions involving the Trustees are set out in note 25.

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £452 (2017: £374) were reimbursed to 3 Trustees (2017: 3).

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Freehold land and property £	Furniture and fixtures £	Plant and equipment £	Computer equipment £	Total £
COST					
At 1 September 2017	19,492,480	40,588	43,089	418,553	19,994,710
Additions	2,641,352	3,247	30,588	65,103	2,740,290
At 31 August 2018	22,133,832	43,835	73,677	483,656	22,735,000
DEPRECIATION					
At 1 September 2017	1,899,317	37,738	26,244	320,826	2,284,125
Charge for the year	338,255	2,606	7,814	60,761	409,436
At 31 August 2018	2,237,572	40,344	34,058	381,587	2,693,561
NET BOOK VALUE					
At 31 August 2018	19,896,260	3,491	39,619	102,069	20,041,439
At 31 August 2017	17,593,163	2,850	16,845	97,727	17,710,585

14. DEBTORS

	2018 £	2017 £
DUE AFTER MORE THAN ONE YEAR		
Prepayments and accrued income	-	879,611
DUE WITHIN ONE YEAR		
Trade debtors	50,769	8,838
VAT recoverable	148,279	47,426
Other debtors	3,111	1,691
Prepayments and accrued income	1,444,819	2,833,903
	<u>1,646,978</u>	<u>3,771,469</u>

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
ESFA loans	39,228	20,000
Trade creditors	154,041	48,792
Other taxation and social security	111,401	106,774
Other creditors	14,932	16,691
Accruals and deferred income	346,790	171,206
	<u>666,392</u>	<u>363,463</u>
	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	60,029	39,785
Resources deferred during the year	66,510	60,029
Amounts released from previous years	(60,029)	(39,785)
Deferred income at 31 August 2018	<u>66,510</u>	<u>60,029</u>

At the balance sheet date the Academy was holding funds received in advance for educational visits and music tuition for the academic year 2018/19.

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

	2018 £	2017 £
ESFA loans	<u>196,640</u>	<u>80,000</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	2018 £	2017 £
Repayable by instalments	<u>58,251</u>	<u>-</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 year the Academy received a Salix loan of £155,366. This is repayable in biannual installments over the next 8 years.

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	2,780,755	4,674,762
Financial liabilities measured at amortised cost	(473,603)	(276,660)

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	290,640	232,496	(213,520)	-	-	309,616
RESTRICTED FUNDS						
General Annual Grant (GAG)	339,438	6,410,279	(6,665,076)	(84,641)	-	-
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 grant	-	10,750	(10,750)	-	-	-
Devolved formula capital	-	29,853	-	(29,853)	-	-
Condition Improvement Fund (CIF)	-	15,700	(15,700)	-	-	-
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>(114,494)</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)	114,494	-	5,279,788
	<u>21,376,974</u>	<u>730,424</u>	<u>(409,436)</u>	<u>114,494</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>-</u>	<u>740,000</u>	<u>18,605,515</u>
Total of funds	<u>18,230,304</u>	<u>7,685,932</u>	<u>(7,741,105)</u>	<u>-</u>	<u>740,000</u>	<u>18,915,131</u>

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

RESTRICTED FUNDS

The General Annual Grant represents funding received from the Education & Skills Funding Agency (ESFA) during the period in order to fund the continuing activities of the Academy. During the year £80,263 (2017: £92,546) 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.

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

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 that it could carry forward at 31 August 2018.

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General Funds	240,776	211,141	(161,277)	-	-	290,640
RESTRICTED FUNDS						
General Annual Grant (GAG)	561,125	6,404,693	(6,533,834)	(92,546)	-	339,438
High Needs	4,236	40,052	(41,494)	-	-	2,794
Donations	-	18,165	(18,165)	-	-	-
Pupil Premium	14,230	193,498	(177,270)	-	-	30,458
Year 7 catch up grant	-	11,250	(11,250)	-	-	-
Devolved formula capital	-	29,622	(29,622)	-	-	-
Other restricted income	-	19,652	(19,652)	-	-	-
Pension reserve	(4,051,000)	-	(129,000)	-	370,000	(3,810,000)
	<u>(3,471,409)</u>	<u>6,716,932</u>	<u>(6,960,287)</u>	<u>(92,546)</u>	<u>370,000</u>	<u>(3,437,310)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	16,838,234	-	(305,566)	-	-	16,532,668
Fixed assets purchased from GAG and other restricted funds	961,300	3,855,857	(65,397)	92,546	-	4,844,306
	<u>17,799,534</u>	<u>3,855,857</u>	<u>(370,963)</u>	<u>92,546</u>	<u>-</u>	<u>21,376,974</u>
Total restricted funds	<u>14,328,125</u>	<u>10,572,789</u>	<u>(7,331,250)</u>	<u>-</u>	<u>370,000</u>	<u>17,939,664</u>
Total of funds	<u>14,568,901</u>	<u>10,783,930</u>	<u>(7,492,527)</u>	<u>-</u>	<u>370,000</u>	<u>18,230,304</u>

CHURCHILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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)
Pension scheme liability	-	(3,245,000)	-	(3,245,000)
	<u>309,616</u>	<u>(3,206,941)</u>	<u>21,812,456</u>	<u>18,915,131</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	17,710,585	17,710,585
Debtors due after more than 1 year	-	-	879,611	879,611
Current assets	295,771	631,459	2,966,341	3,893,571
Creditors due within one year	(5,131)	(258,769)	(99,563)	(363,463)
Creditors due in more than one year	-	-	(80,000)	(80,000)
Pension scheme liability	-	(3,810,000)	-	(3,810,000)
	<u>290,640</u>	<u>(3,437,310)</u>	<u>21,376,974</u>	<u>18,230,304</u>

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(55,173)	3,291,403
Adjustment for:		
Depreciation charges	409,436	370,964
Interest received	(2,782)	(4,121)
Decrease/(increase) in debtors	2,124,491	(2,895,965)
Increase/(decrease) in creditors	283,701	(68,041)
Capital grants from DfE and other capital income	(730,424)	(954,430)
Defined benefit pension scheme cost less contributions payable	82,000	42,000
Defined benefit pension scheme finance cost	93,000	87,000
Net cash provided by/(used in) operating activities	<u>2,204,249</u>	<u>(131,190)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash at bank and in hand	1,334,746	1,001,713
	<u>1,334,746</u>	<u>1,001,713</u>

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	-	3,508,395
	<u>-</u>	<u>3,508,395</u>

The contract entered into in 2017 relates to the new science and technology building project. The Academy has been awarded a Government grant of £3,855,857 towards this project. This is shown in incoming resources in restricted fixed asset funds in note 18.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £556,611 (2017: £547,088).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £326,000 (2017: £385,000), of which employer's contributions totalled £258,000 (2017: £319,000) and employees' contributions totalled £68,000 (2017: £66,000). The agreed contribution rates for future years are 14.8% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	3.60 %	2.20 %

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

	2018	2017
Retiring today		
Males	23.6	23.5
Females	26.1	26.0
Retiring in 20 years		
Males	26.2	25.9
Females	28.8	28.7

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	150,000	142,000
Mortality assumption - 1 year increase	(128,000)	(120,000)
CPI rate +0.1%	(153,000)	(146,000)

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,455,000	1,636,000
Corporate bonds	888,000	624,000
Property	345,000	291,000
Cash and other liquid assets	141,000	119,000
Other	883,000	635,000
Total market value of assets	<u>3,712,000</u>	<u>3,305,000</u>

The actual return on scheme assets was £162,000 (2017: £293,000).

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

	2018 £	2017 £
Current service cost	(340,000)	(361,000)
Interest income	77,000	55,000
Interest cost	(170,000)	(142,000)
Total	<u>(433,000)</u>	<u>(448,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	7,115,000	6,731,000
Current service cost	340,000	361,000
Interest cost	170,000	142,000
Employee contributions	68,000	66,000
Actuarial gains	(660,000)	(137,000)
Benefits paid	(76,000)	(48,000)
Closing defined benefit obligation	<u>6,957,000</u>	<u>7,115,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	3,305,000	2,680,000
Interest income	82,000	60,000
Actuarial losses	80,000	233,000
Employer contributions	258,000	319,000
Employee contributions	68,000	66,000
Benefits paid	(76,000)	(48,000)
Administration expenses	(5,000)	(5,000)
	<u>3,712,000</u>	<u>3,305,000</u>
Closing fair value of scheme assets	<u>3,712,000</u>	<u>3,305,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	13,533	21,022
Between 1 and 5 years	83,785	90,872
	<u>97,318</u>	<u>111,894</u>
Total	<u>97,318</u>	<u>111,894</u>

25. 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 organisation, 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.

26. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £13,306 (2017: £13,515) and disbursed £12,994 (2017: £12,629) from the fund. An amount of £12,122 (2017: £12,475) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

**CHURCHILL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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.