

**Company Registration number:
07848338 (England and Wales)**

**Campion Academy Trust
(A Company Limited by Guarantee)**

Annual report and financial statements

Year ended 31 August 2019

Campion Academy Trust

Reference and Administrative Details

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Campion Academy Trust

Reference and Administrative Details

Governors

Members

R Crowther (Chair) **

S Ashworth **

F Durrant ***

J Scheuer *

K O'Reilly * **

Parent governors

J Floyd *

P Rutland *

G Duncan (appointed 8 November 2018) **

R Clarke (appointed 10 April 2019) **

R Episcopo (appointed 10 April 2019) *

A Stickley (resigned 10 October 2018)

Headteacher governor

J Panesar **

Elected staff governors

T Collins ***

R Fairbrother **

R Ruddlesdin ***

Governors appointed by the Trust

S Atkinson (resigned 13 March 2019) ***

V Pathak *

F Darby *

Co-opted governor

J Falp (appointed 10 October 2018) ***

* Governors who sit on the Learning and Improvement Committee

** Governors who sit on the Resources Committee

*** Governors who sit on the Pupils, Parents and Community Committee

Campion Academy Trust

Reference and Administrative Details

Company Secretary	C Henry
Senior Leadership Team	
• Headteacher	J Panesar
• Deputy Headteacher	S Bolsover
• Assistant Headteacher	N Hawkins
• Assistant Headteacher/Head of Post 16	P Forsey
• Business Manager	B Langley
• House Learning Leader	L Pollard
• House Learning Leader	A Burden
Principal and Registered Office	Sydenham Drive Leamington Spa Warwickshire CV31 1QH
Company Name	Campion Academy Trust
Company Registration Number	07848338 (England and Wales)
Independent Auditor	Harrison, Beale & Owen Limited Highdown House 11 Highdown Road Leamington Spa Warwickshire CV31 1XT
Bankers	Lloyds Bank 73 Parade Leamington Spa Warwickshire CV32 4BB
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

Campion Academy Trust

Governors' Report

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in south Leamington Spa. It has a pupil capacity of 870 and had a roll of 786 in the school census on 3 September 2019.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustee governors are also the directors of the charitable company for the purposes of company law. The charitable company operates as Campion Academy Trust and is also known as Campion School.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities (see Companies Act 2006 s236)

From 1 January 2015 the Academy opted into the risk protection arrangement with the Department of Education. The arrangement included Governors' liability insurance and this is considered to qualify as third party indemnity insurance, as defined by section 234 of the Companies Act 2006.

Principal Activities

The academy trust's principal activities are specifically restricted to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The governing body consists of up to eighteen defined governors with up to three appointed by co-option and provision for the local authority to appoint one governor. Three of the Governors are parents of students who attend the school elected by the parent body to serve for a period of four years. Parents are notified via the school's newsletter that a vacancy has arisen and details of the election process. Expressions of interest are invited. Potential candidates are issued with an information pack that includes a nomination form. Ballot forms are issued on the basis of one per parent/ carer. Parents are asked to return forms to the clerk to the Governors at the school. There are four staff governors including the Headteacher who is appointed by virtue of office. The remaining staff governors are elected by the staff.

Policies and Procedures Adopted for the Induction and Training of Governors

Training and induction is provided for new Governors. This can take the form of reading induction materials provided by the Governors, participation in specific training courses, observation of aspects of the school at work, informal advice from the Chair of Governors and other governors, attendance as an observer at a Full Governing Body meeting before becoming a Governor and observation of staff training events. Relevant training and literature are disseminated to all governors regularly. All governors are provided with copies of the policies, procedures, minutes, budgets, plans and other documents necessary to undertake their role. All Governors join committees and attend Full Governing Body meetings.

Campion Academy Trust

Governors' Report

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Structure, Governance and Management (continued)

Organisational Structure

The management structure operates on two levels and is made up of the Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels. The governors are responsible for the strategic development of the Academy, adopting an annual development plan and budget, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy and senior staff appointments.

To ensure an efficient and effective structure to support, monitor and evaluate the work and development of the school there are governor committees responsible for Pupils and Parents, Learning and Improvement, and Resources (including Finance and Personnel). A Chairs' Steering group gives strategic and operational guidance to committees.

The Senior Leadership team consists of the Head teacher, one full time Deputy Head teacher, two Assistant Head teachers, two House learning leaders and the Business manager. These leaders direct the Academy at an executive level implementing the policies laid down by Governors and reporting back to them. The Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff (appointment panels for all senior positions include at least one Governor).

Middle leadership positions include: Subject Leaders, House Learning Leaders, The Business Manager and the Principal Finance Officer. These implement detailed day to day operational management for their area of responsibility.

Arrangements for setting pay and remuneration of key management personnel

The pay of the senior staff, including all Key management personnel, is reviewed by the Resources committee (at least annually) and increased in line with performance reviews and cost of living indicators. All increases are factored into the budget which is approved annually by the Full governing board. Key management personnel are considered to be comprised of the governors and the senior leadership team.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.19

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1% - 50%	1
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£3,525,002
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Campion Academy Trust

Governors' Report

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Structure, Governance and Management (continued)

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$$\frac{(\text{total hours spent on paid trade union activities by } 0\% \text{ relevant union officials during the relevant period}}{\div \text{total paid facility time hours}} \times 100$$

Related Parties and other Connected Charities and Organisations

There are no formal connected organisations. However the Academy has significant liaison and partnership with a range of organisations including the Local authority, the Warwickshire secondary schools Central Area Partnership, the Central Warwickshire School Sports Partnership, universities (including Warwick and Coventry), Mid counties Co-op and the National Grid.

Objectives and Activities

Objectives and Aims

To provide the highest possible quality of education for our students.

This will include emphasis on:-

- A whole school ethos promoting the virtues of developing oneself, respecting and caring for others, understanding of the rights of all to equal opportunity and the making of a strong contribution to the wider community;
- A curriculum which develops high levels of knowledge, understanding and skills to enable our students to become reflective and fulfilled individuals, and successful, in work, as future parents and as citizens;
- Continual improvement in the quality of teaching;
- Excellent standards in preparation of students for public examinations;
- Excellence in pastoral care, guidance, support and safeguarding;
- The provision of a wide range of curriculum enrichment opportunities;
- The provision of opportunity for our staff to enjoy, develop and lead;
- The creation of excellent relationships with parents; and
- Working in effective partnership with other schools, businesses and organisations in the community.

Campion Academy Trust

Governors' Report

.....continued

Objectives, Strategies and Activities

Priority area	Main activities
1. To enhance the professional development and capacity of staff	<ul style="list-style-type: none">• To develop the practice of senior and middle leaders in working in partnership with other schools• To increase internal leadership opportunities for middle leaders
2. To raise achievement at Key Stage 4	<ul style="list-style-type: none">• Set and work towards highly ambitious and challenging targets for key attainment and progress indicators for Year 11 pupils• Set and work towards challenging targets to raise the attainment of significant groups of Year 11 pupils
3. To raise achievement at Key Stage 5	<ul style="list-style-type: none">• Set and work towards challenging targets for key attainment indicators for Year 12 and 13 students
4. To raise achievement at Key Stage 3	<ul style="list-style-type: none">• To enhance students' basic skills through improving their capacity in literacy, numeracy and problem solving• To deliver a broad and balanced curriculum providing knowledge, understanding and skills in academic, creative, technical and physical subjects• To implement tracking, monitoring of students' performance and concomitant intervention to improve it
5. To enhance the personal and social development of pupils	<ul style="list-style-type: none">• Set and work towards challenging targets for the increase of overall attendance and reduction of persistent absence• Implement an enhanced range of opportunities for student leadership and the range of curriculum enrichment opportunities for students• Further develop pastoral intervention practice and the range of support for students with personal difficulties

Campion Academy Trust

Governors' Report

.....continued

Objectives, Strategies and Activities (continued)

Priority area	Main activities
6. Teaching and Learning	<ul style="list-style-type: none">• Further develop the quality of teaching through monitoring, appraisal intervention, training and dissemination of good practice• Improve the acquisition of basic skills by key groups of pupils• Enhance the consistency of setting of homework and quality of marking and feedback to students• To implement tracking, monitoring of students' performance and concomitant intervention across the school
7. Curriculum development	<ul style="list-style-type: none">• Plan for the long term adjustment of curriculum emphasis at national level by increasing time and attention to core academic subjects and qualifications
8. Administration, Finance and Buildings	<ul style="list-style-type: none">• Develop the financial working practices necessary to thrive as an academy• To ensure an in year surplus to enable investment in above activities• To recruit pupils into the Sixth Form and year 7 up to the Published Admission Number (PAN)

Public Benefit

In drafting the above statements, the trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in exercising their powers or duties.

Campion Academy Trust

Governors' Report

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Strategic Report

Achievements and Performance

Report on performance in relation to principal activities of Campion Academy Trust in 2018-19

Students' Achievement: Year 11

Target	Actual performance
To achieve a Progress 8 Score above the national average	0.17 (Above national average)
Increase the percentage of pupils entered for the EBACC qualification	43.2% (Above national average)
To achieve an Attainment 8 score of 45.0	45.00
To achieve 95% whole school attendance	94.7%

The school continues to perform very highly. Over the past four years, the school has achieved above national average or significantly above national average Progress 8 Scores at GCSE. This year the leadership team has focussed on increasing the number of pupils being entered for the EBACC subjects. This has now increased to 43.2% from 21% the previous year. The entries are now above national average.

The 2018-2019 Year 11 cohort was made up of 25% of pupils who entered the school after Year 7 and a significant percentage of pupils who entered the school in Key Stage 4. The challenges of raising achievement for this year group were more demanding than any other group of pupils currently in the school. Given these challenges, the Academy regards the performance of the Year 11 cohort as excellent.

The academy's overall attendance figure is improving and is fast approaching the target of 95%. The academy will now focus on pupils who are persistently absent.

The overall performance for the year 2018-2019 has been excellent and the academy has not only achieved highly and has cemented its excellent reputation, but has also laid the foundations for future success.

Campion Academy Trust

Governors' Report

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Achievements and Performance (continued)

Students' Achievement: Post 16

Target	Actual Performance
Year 13 - 35.00 APS per academic entry (30=C, 40=B)	B – Target met
To achieve positive Level 3 value added	0.2 (expected) – Target met
Retention Rate 95%	99% - Target met

Over the past four years the Year 13 academic results have been excellent. Again, the 2018-2019 cohort have performed above the national average and significant progress has been made in subjects including Mathematics, Physics, Chemistry, Geography and Psychology.

Value added and average point scores in academic and vocational qualifications have remained strong. The academic value added score is expected to be high (0.25). This shows a growing confidence in our pupils' ability to study the more traditional academic subjects. More pupils are also choosing to study academic subjects at Key Stage 4 and 5.

The improvements made in the academy in the lower age groups is having a positive effect on the learning culture at Post-16. The percentage of Post-16 pupils who are achieving A* - B grades in academic qualifications was 59%. This performance not only exceeded the national average, but is well above all the other local schools in the central area. The academy exceeded all minimum performance levels at Post-16.

The sixth form remains a popular option for Campion School pupils and the school is currently developing a marketing strategy to attract pupils from neighbouring schools.

Students' Achievement: Key stage 3

The curriculum at Key Stage 3 is broad and balanced and it enables all pupils to achieve well. Internal monitoring has revealed that all pupils are making good to excellent progress and, where pupils are not progressing, the school has ensured interventions are in place to support their learning.

The vast majority of Y7 and 8 pupils are above their functional level in spelling; no pupils are below their functional level in reading, and the vast majority of pupils are above their functional level in Maths, which indicates that the majority of the Y8 year group are at functional levels in reading and writing and will be ready to commence their GCSE courses in Y9.

As the school becomes more popular, the number of pupils at Key Stage 3 has increased. Indeed, the Year 7 and 8 cohorts are oversubscribed.

Campion Academy Trust

Governors' Report

.....continued

Achievements and Performance (continued)

Quality of Teaching

Teaching and learning continues to be a real strength at Campion. The teaching and non-teaching staff are supported through CPD training and specialist in-house support to ensure that pupil progress is maximised. The CPD programme has been modified to include Cognitive Load Theory and all new teachers are attending an ongoing intensive development programme.

The school is fully staffed and there are plans to recruit newer staff as it expands. All staff participate in the Performance Management Reviews, which have led to target setting and evaluation of performance.

- This year there have been more than 120 hours of lesson observations and learning walks, including governor learning walks
- All observations were followed up with feedback sessions that identified the strengths and weaknesses of the lessons, which has led to rapid improvement in the standard of teaching
- Currently there are no staff on formal capability procedures due to poor performance in the classroom
- All new staff have received intensive differentiated support from our Teaching and Learning Team
- In the last round of formal observations more than 93% of lessons were evaluated as Good or Outstanding
- Learning walks were used to inform leaders of the standard of day-to-day teaching and learning
- There was considerable input during the year into teachers' professional development through: appraisal, observation, collaborative projects and formal training. An internal team of high quality teachers was used to coach and to disseminate good practice.

Personal and Social Development

There are now eight, fully trained safeguarding officers at the school, including all of the senior leadership team. In the most recent Governor Focus Group pupils reported that they felt safe and well supported at school, despite there being significantly more pupils.

The school has made significant changes to the pastoral system to ensure that it remains highly effective as the number of pupils expands. Safeguarding is excellent and all staff have continued to be CP (Child Protection) trained. The training also includes the use of the PREVENT strategy.

Campion Academy Trust

Governors' Report

.....continued

Achievements and Performance (continued)

During 2018-2019 the school continued to enhance the curriculum through extracurricular activities. All pupils take part in Life skills days, which deliver statutory Sex Education and, also, Careers Education sessions. All students at Key stage 3 experienced at least one day of off-site learning, and a significant number had several experiences. Significant numbers of students participated in long distance visits including to New York, Condoover Hall and participated in the Duke of Edinburgh Award Scheme.

There have been over 150 sporting fixtures during this academic year including:

- Football
- Basketball
- Netball
- Rugby
- Cricket
- Athletics
- Tennis
- Rounders
- Badminton
- Street Dance
- Girls football
- Indoor athletics

- Swimming
- Biathlon
- Rowing
- Chess

Site Development

The academy is undergoing extensive building work to enable it to increase its number of pupils on its roll. This includes a new dining area, along with a new Science and Mathematics block housing seventeen additional classrooms. Phase 1 of the expansion will be complete by August 2020.

The Academy continued to meet its objective of improving the school environment through a large number of small scale improvements – for example significant numbers of classrooms and common areas were improved through fitting new doors, blinds, floor covering and redecoration. Further improvements to the external grounds and common areas were also prioritised and completed. Unplanned, emergency repairs and maintenance were also completed within budget.

Key performance indicators

The governors manage the academy on a funding stream basis and employ a number of key performance indicators to monitor the expenditure requirements of the Education and Skills Funding Agency and performance or position of the academy. Other key performance indicators have been assessed within the Achievements and Performance section above.

Campion Academy Trust

Governors' Report

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Going concern

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

Financial Review

The academy trust's accounting period for this period of operation is 1 September 2018 to 31 August 2019. The majority of the academy trust's income continues to be obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

This year the academy has recorded net expenditure of £468,543 (2018: £432,370) and an actuarial loss of £628,000 (2018: gain £403,000). The net expenditure for the year was in line with the academy's budget. Additionally, it should be noted that the academy generated a net cash outflow from operating activities and that the unrestricted fund decreased over the year. The impact of the defined benefit pension adjustment is expanded on more fully in the reserves policy and in note 21 to the financial statements.

Reserves Policy

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep the level of reserves under review.

Reserves at the end of the period were £4,000,105, which included a restricted fixed assets reserve of £5,809,776 and unrestricted reserves of £56,357. These were composed principally of a donation from the former Campion School. Reserves will be used to fund the future development of the academy.

Under Financial Reporting Standard 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff. This results in reducing the reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The academy is currently paying increased employer contributions to reduce this deficit.

Investment Policy

In a period of financial uncertainty and low interest rates, the academy trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

Campion Academy Trust

Governors' Report

.....continued

Principal Risks and Uncertainties

The principal risks to the academy are financial and result from a projected deficit on the Local Government Pension Scheme, the likelihood of the academy not meeting its budgetary targets and risks associated with changes to the funding formula. In addition, there are the risks associated with fraud, damage to reputation, recruitment and maintenance of appropriately qualified staff and individuals charged with management and governance of the school, and failure to maintain academic and behavioural standards. These risks have also been considered in the context of the school's site expansion plan, which has been devised to meet the expectations of anticipated demographic changes from 2019/20. Control measures have been put in place to mitigate all these risks.

The academy undertook its last risk assessment exercise in the Summer of 2018 and will formally revisit this in the Autumn term of 2019. This used a detailed process of analysing and evaluating both the likelihood and potential impact of risks in order to decide on relative significance. This was followed by decision on implementation of suitable procedures to mitigate these risks. The academy continues to remain alert to any possible risks arising from the emerging profile of the school.

The academy has a series of inspections and controls which act effectively to identify and mitigate risks – these include financial monitoring and control through an external consultant who reports to Governors, a self-evaluation of financial procedures which has been moderated by the Education and Skills Funding Agency, auditing processes, a series of external inspections of Health and Safety, external inspection by our insurers and the work of Ofsted. Governors receive reports of this activity regularly. The academy has an effective series of internal financial controls which are explained in more detail elsewhere in this report.

Risk is a regular item for discussion at Governors' meetings.

Fundraising

As the academy trust does not incur any expenditure in respect of fundraising activities and any donations received are considered to be on a small scale, the governors believe that fundraising does not form part of the academy trust's principal activities. The academy trust neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the academy trust is not registered with the Fundraising regulator.

Plans for future periods

Key objectives for 2019-20:

- Ensure outstanding leadership and management leads to outstanding outcomes for all pupils
- Ensure the development of outstanding teaching and learning throughout the school from Years 7-13
- Ensure safeguarding is outstanding throughout the school
- Ensure pupils are safe and secure
- Ensure all pupils make outstanding progress including disadvantaged and pupils with higher prior attainment
- Ensure Post 16 educational outcomes are outstanding
- Ensure 100% of pupils have positive destinations after leaving the school
- Ensure outstanding financial leadership that results in outstanding pupil outcomes and a balanced budget
- To work with the Local Authority to secure funding for the expansion of Campion School
- To provide an outstanding education for all pupils during a time of expansion for the school

Campion Academy Trust

Governors' Report

.....continued

Plans for future periods (cont'd)

On 14 November 2019, the cabinet of Warwickshire County Council formally approved funding of Phase 2 of a site development plan in respect of the expansion of the school, which amounted to £8.9 million. Phase 1 of the project began just before the year ended 31 August 2019 and has a scheduled completion date of September 2020.

Funds held as Custodian Trustee on behalf of others

The academy trust holds no funds on behalf of others as custodian trustee.

Auditor

Insofar as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the governing body, as the company's directors, on 11 December 2019 and signed on the governing body's behalf by:

R Crowther
Chair

Campion Academy Trust

Governance Statement

Scope of Responsibility

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

The governing body 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 Campion Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
R Crowther (Chairman)	4	4
F Durrant (Vice Chair)	4	4
J Panesar	4	4
S Ashworth	3	4
S Atkinson (resigned 13 March 2019)	2	2
F Darby	3	4
J Floyd	0	4
J Scheur	4	4
T Collins	4	4
K O'Reilly	3	4
P Rutland	3	4
R Fairbrother	4	4
R Ruddlesdin	3	4
V Pathak	4	4
G Duncan (appointed 8 November 2018)	1	3
J Falp (appointed 10 October 2018)	2	4
R Clarke (appointed 10 April 2019)	2	2
R Episcopo (appointed 10 April 2019)	2	2

Governance reviews

Governors undertook a wide range of training during the year and, in particular, training for the whole governing body was organised on child protection and safeguarding, on school budget and finance, and on the governors' role in school improvement. This last has already led to an improvement in the way the School Development Plan is laid out to facilitate governor monitoring and an improvement in the way we decide on priority issues on which to focus in our monitoring activities. It has also initiated consideration of the balance of the use of governors' time more towards individual and group monitoring and less on committee meetings. We now have individual governors taking oversight of: child protection and safeguarding; special needs and disability; looked-after children; gifted and talented; pupil premium; attendance; careers guidance; and health & safety as well as governor training and head teacher's review.

Campion Academy Trust

Governance Statement

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We have also adopted a Code of Conduct which all governors sign up to and will be looking at job descriptions for the generic and specific roles of governors.

At the end of the year we had five governors to replace by election or appointment due to end of terms of office or resignations prompted by competing pressures. During the Autumn Term 2019 we have been successful in filling all vacancies with new governors who bring a range of valuable experience and skills to the job.

Governors are regularly briefed on progress with the school expansion project and involved in key decisions. Expansion is a standing item on agendas for the Full Governing Body, the Resources Committee and the Chairs Steering Group, and governor monitoring activities are planned to include focus on the effects of expansion and the current building project. We have been satisfied that the integration of the school's largest ever Y7 intake and the major building work on the school site have been managed very effectively and have not impacted negatively on quality of education or of pupil behaviour. Consideration of the second phase of building and of the requirements for maintaining the highest standards as the school roll grows to 1400 is being actively undertaken.

The Resources Committee is a sub-committee of the main governing body. Its purpose is to monitor the finances of the academy trust and make recommendations to the Governors. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Ashworth (Chair)	3	6
R Crowther	6	6
J Panesar	6	6
K O'Reilly	6	6
R Fairbrother	6	6
G Duncan (appointed 8 November 2018)	3	5
R Clarke (appointed 10 April 2019)	1	2

Throughout the year, governors were regularly informed of progress with plans for the new accommodation and alterations to the existing accommodation, the construction of the first phase of which started in the Summer of 2019 and due to be completed by September 2020. Information has been circulated to governors at every stage and the matter has been a standing item for Full Governors' Meetings and for the Resources Committee as well as the Chairs' Steering Group. As timing of the new building was delayed, the governors decided to defer raising the pupil admission number (PAN) until September 2020, though will consider taking an additional form of entry above the existing PAN in September 2019 if the places are needed and we judge we have sufficient resources and space.

Review of Value for Money

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

Campion Academy Trust

Governance Statement

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Review of Value for Money (continued)

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

- Deciding not to appoint a new HR assistant during the period of 2018-2019 and opting to redefine the existing role of the current HR manager. This has led to greater flexibility in the way the Business team works and the hours the HR manager works. The Academy has made a significant saving by making this decision and will review the effectiveness of the measure annually.
- During the 2018-2019 period the school has continued to use the extensive knowledge of its middle managers to support the work of senior leaders without reducing the quality of leadership in the school. Two middle leaders joined the senior leadership team (with no further pay) to enhance their leadership experiences and to support the work of senior leaders. This has led to the school being able to enhance senior leadership without further appointments. This has led to a significant saving for the school.
- The academy has decided not to market the school on billboards, buses or use radio adverts for the next 3 years. Many local schools who are struggling to recruit pupils have opted for extensive advertising campaigns. With the reputation of the school growing and pupil numbers rising the school has continued to use Twitter, joint newspaper adverts and the support of parents to spread the good work of the school. This has not only led to pupil numbers rising but also led to a significant saving from the marketing budget.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Campion Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Campion Academy Trust

Governance Statement

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The Risk and Control Framework (continued)

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed K Hanlan, as Independent Examiner. The Independent Examiner's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- review of purchase ordering and payments procedures;
- review of income streams; &
- review of banking procedures and reconciliation processes.

On an annual basis, the Independent Examiner reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. There were no material control issues arising as a result of the Independent examiner's work.

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 Independent Examiner;
- the work of the External Auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 11 December 2019 and signed on its behalf by:

Signed

Signed

R Crowther
Chair

J Panesar
Accounting Officer

Campion Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Campion Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of all 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 2018.

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

Signed

J Panesar
Accounting Officer

11 December 2019

Campion Academy Trust

Statement of Governors' Responsibilities

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 governors 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 good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The governors 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 Governing Body on 11 December 2019 and signed on its behalf by:

Signed

R Crowther
Chair

Campion Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Campion Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Campion Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Campion Academy Trust (continued)

Other information

The governors are responsible for the other information. The other information comprises the information included in the Governors' Report, other than the financial statements and our auditor's report thereon. Other information includes the Governors' Report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 20, the governors (who are also the directors of the academy trust 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 governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Campion Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Campion Academy Trust (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Ashfield BA FCA (Senior Statutory Auditor)
For and on behalf of Harrison, Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
CV31 1XT

11 December 2019

Campion Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Campion Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 November 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Campion Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Campion Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Campion Academy Trust's funding agreement with the Secretary of State for Education dated 9 December 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Campion Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Campion Academy Trust and the Education & Skills Funding Agency (continued)

The work undertaken to draw our conclusions includes:

- understanding the basis on which the Accounting Officer has made their statement on Regularity, Propriety and Compliance;
- considering (based on our understanding of the academy's internal controls) the risk of irregular transactions occurring;
- considering the evidence obtained by us to support the audit opinion; and
- conducting further substantive procedures as we considered to be appropriate.

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Harrison, Beale & Owen Limited
Highdown House
11 Highdown Road
Leamington Spa
CV31 1XT

11 December 2019

Campion Academy Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018/19 £	Total 2017/18 £
Income and endowments from:						
Donations and capital grants	2	-	75,692	50,713	126,405	94,122
Charitable activities:						
Funding for the academy trust's educational operations	3	-	4,197,917	-	4,197,917	3,867,668
Other trading activities	4	-	4,770	-	4,770	16,785
Investments	5	340	-	-	340	391
Total		340	4,278,379	50,713	4,329,432	3,978,966
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	112	4,650,757	147,106	4,797,975	4,411,336
Total		112	4,650,757	147,106	4,797,975	4,411,336
Net income/(expenditure)		228	(372,378)	(96,393)	(468,543)	(432,370)
Transfers between funds	14	(234,220)	206,000	28,220	-	-
Other recognised gains/ (losses):						
Actuarial (loss)/ gains on defined benefit pension schemes	21	-	(628,000)	-	(628,000)	403,000
Net movement in funds		(233,992)	(794,378)	(68,173)	(1,096,543)	(29,370)
Reconciliation of funds						
Total funds brought forward at 1 September 2018		290,349	(1,071,650)	5,877,949	5,096,648	5,126,018
Total funds carried forward at 31 August 2019		56,357	(1,866,028)	5,809,776	4,000,105	5,096,648

All of the academy's activities derive from continuing operations in the current and prior financial year.

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

Campion Academy Trust

Balance Sheet as at 31 August 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11	5,759,063		5,862,947	
Current assets					
Debtors	12	69,807	85,324		
Cash at bank and in hand		286,086	401,445		
		355,893	468,769		
Liabilities					
Creditors: Amounts falling due within one year	13	(93,851)	(63,068)		
Net current assets		262,042		423,701	
Total assets less current liabilities		6,021,105		6,286,648	
Net assets excluding pension liability		6,021,105		6,286,648	
Defined benefit pension scheme liability	21	(2,021,000)		(1,190,000)	
Total net assets		4,000,105		5,096,648	
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	14	5,809,776	5,877,949		
Restricted income fund	14	154,972	118,350		
Pension reserve	14	(2,021,000)	(1,190,000)		
Total restricted funds		3,943,748	4,806,299		
Unrestricted income funds	14	56,357	290,349		
Total funds		4,000,105	5,096,648		

The financial statements on page 26 to 48 were approved by the Governors and authorised for issue on 11 December 2019 and are signed on their behalf by:

Signed

R Crowther
Chair

Campion Academy Trust

Statement of cash flows for the year ended 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	17	(123,250)	(103,660)
Cash flows from investing activities	18	7,891	(35,234)
Change in cash and cash equivalents in the reporting period		(115,359)	(138,894)
Cash and cash equivalents at 1 September 2018		401,445	540,339
Cash and cash equivalents at 31 August 2019	19	286,086	401,445

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1. Statement of Accounting Policies

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

Basis of Preparation

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

Going Concern

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

Governors consider that various factors have assisted them in making their assessment on going concern, including: the growth plan of the school, which has already seen pupil numbers increase over the last few years and is expected to continue with the planned capital projects; continued adherence to budgetary discipline and careful monitoring of expenditure; and a level of reserves, including cash funds, to enable the school to absorb any deficits in the short to medium term as the school implements its expansion plan.

Income

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

- **Grants**

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

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

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

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

1. Statement of Accounting Policies (continued)

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

- **Fixed assets donated on conversion to an academy trust**

Certain fixed assets were transferred from the governors on conversion to an Academy on 1 January 2012 and are recognised on the following bases,

- School buildings – recognised at depreciated replacement cost

- Furniture, equipment and computer equipment – at existing use value
-

Expenditure

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

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

1. Statement of Accounting Policies (continued)

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold buildings	2%
Furniture and equipment	20%
Computer equipment	33.33%

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

1. Statement of Accounting Policies (continued)

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the governors to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary severance and are shown on an accruals basis in the Statement of Financial Activities when the academy is demonstrably committed to the decision.

Pensions Benefits

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

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

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

1. Statement of Accounting Policies (continued)

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

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

Fund Accounting

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

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.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 24.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust 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.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

1. Statement of Accounting Policies (continued)

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and capital grants	Unrestricted Funds £	Restricted Funds £	Total 2018/19 £	Total 2017/18 £
Capital grants	-	50,713	50,713	15,002
Other donations	-	75,692	75,692	79,120
	-	126,405	126,405	94,122

The income from donations and capital grants was £126,405 (2018: £94,122) of which £75,692 (2018: £79,120) was restricted and £50,713 (2018: £15,002) was restricted fixed assets.

3. Funding for Academy trust's educational operations	Unrestricted Funds £	Restricted Funds £	Total 2018/19 £	Total 2017/18 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,770,417	3,770,417	3,526,804
Other DfE Group grants	-	237,153	237,153	194,231
	-	4,007,570	4,007,570	3,721,035
Other Government grants				
Local Authority grants	-	145,454	145,454	127,146
Special educational projects	-	44,893	44,893	19,487
	-	190,347	190,347	146,633
	-	4,197,917	4,197,917	3,867,668
4. Other trading activities	Unrestricted Funds £	Restricted Funds £	Total 2018/19 £	Total 2017/18 £
Hire of facilities	-	-	-	5,842
Other income	-	4,770	4,770	10,943
	-	4,770	4,770	16,785

The income from other trading activities was £4,770 (2018: £16,785) of which £Nil was unrestricted (2018: £5,842) and £4,770 was restricted (2018: £10,943)

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

5. Investment Income	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	2018/19	2017/18
			£	£
Short term deposits	340	-	340	391
	340	-	340	391
6. Expenditure	Staff costs	Non-pay expenditure		Total
	£	Premises	Other costs	Total
		£	£	2018/19
				2017/18
				£
Academy's educational operations				
- Direct costs	2,924,689	112,083	404,671	3,441,443
- Allocated support costs	971,207	152,314	233,011	1,356,532
	3,895,896	264,397	637,682	4,797,975
				4,411,336
Net (income)/expenditure for the year includes:			2018/19	2017/18
			£	£
Operating lease rentals:				
- Equipment			12,556	12,531
Depreciation			147,046	143,108
Fees payable to auditor for:				
- audit			4,500	4,500
- other services			2,500	2,500
7. Charitable Activities			Total	Total
			2018/19	2017/18
			£	£
Direct costs – educational operations			3,441,443	3,183,977
Support costs – educational operations			1,356,532	1,227,359
			4,797,975	4,411,336
Analysis of support costs	Boarding	Educational operations	Total	Total
	£	£	2018/19	2017/18
			£	£
Support staff costs	-	971,207	971,207	856,031
Technology costs	-	12,764	12,764	14,965
Premises costs	-	152,314	152,314	128,461
Other support costs	-	201,968	201,968	209,945
Governance costs	-	18,279	18,279	17,957
Total support costs	-	1,356,532	1,356,532	1,227,359

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

8. Staff	Total 2018/19 £	Total 2017/18 £
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	2,914,441	2,666,593
Social security costs	255,870	228,684
Pension costs	712,741	639,864
	3,883,052	3,535,141
Agency staff costs	12,523	26,581
Staff restructuring costs	1,800	-
	3,897,375	3,561,722
Staff restructuring costs comprise:		
Severance payments	1,800	-
	1,800	-

b. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2018/19 No.	2017/18 No.
Teachers	54	50
Administration and support	59	55
Management	7	8
	120	113

c. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £514,168 (2018: £572,404).

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

9. Related Party Transactions - Governors' remuneration and expenses

One or more governors has been paid remuneration or has received benefits from an employment with the academy trust. The Principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of governors' remuneration and other benefits was as follows:

J Panesar (principal and governor):

Remuneration £70,000 - £75,000 (2018: £70,000 - £75,000)

Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

T Collins (staff governor):

Remuneration £20,000 - £25,000 (2018: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

R Fairbrother (staff governor):

Remuneration £35,000 - £40,000 (2018: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

R Ruddlesdin (staff governor):

Remuneration £25,000 - £30,000 (2018: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

K O'Reilly (casual exam invigilator)

Remuneration £0 - £5,000 (2018: £Nil)

Employer's pension contributions £Nil (2018: £Nil)

During the period ended 31 August 2019 expenses of £Nil were reimbursed or paid directly to governors (2018: £Nil).

Other related party transactions involving the governors are set out in note 22.

10. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 and 2018 could not be separately identified.

From 1 January 2015 the academy entered into the ESFA's Risk Protection Arrangements and these arrangements include protection for governors and officers of the academy. No separately identifiable premium for governors' and officers' protection is available for disclosure under these arrangements.

The cost of this insurance is included in the total insurance cost.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

11. Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost or valuation				
At 1 September 2018	6,537,906	166,408	191,967	6,896,281
Additions	-	1,976	41,186	43,162
At 31 August 2019	6,537,906	168,384	233,153	6,939,443
Depreciation				
At 1 September 2018	747,218	131,384	154,732	1,033,334
Charged in period	112,083	10,258	24,705	147,046
At 31 August 2019	859,301	141,642	179,437	1,180,380
Net book values				
At 31 August 2019	5,678,605	26,742	53,716	5,759,063
At 31 August 2018	5,790,688	35,024	37,235	5,862,947

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

12. Debtors	2019	2018
	£	£
Trade debtors	2,259	1,620
VAT recoverable	5,345	15,994
Prepayments and accrued income	62,203	67,710
	69,807	85,324
 13. Creditors: amounts falling due within one year	 2019	 2018
	£	£
Trade creditors	36,158	16,271
Other creditors	2,587	12,957
Accruals and deferred income	55,106	33,840
	93,851	63,068
 Deferred income	 2019	 2018
	£	£
Deferred income at 1 September 2018	13,883	-
Released from previous years	(13,883)	-
Resources deferred in the year	21,972	13,883
Deferred income at 31 August 2019	21,972	13,883

Deferred income includes grant income of £21,427 (2018: £13,883) and other income of £545 (2018: £Nil) that the Academy has received or invoiced in advance of entitlement of receipt.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

14. Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	13,247	3,770,417	(3,989,262)	206,000	402
Pupil premium	-	187,701	(187,701)	-	-
Other grants	105,103	320,261	(270,794)	-	154,570
Pension reserve	(1,190,000)	-	(203,000)	(628,000)	(2,021,000)
	(1,071,650)	4,278,379	(4,650,757)	(422,000)	(1,866,028)
Restricted fixed asset funds					
DfE Group capital grants	15,002	50,713	-	(15,002)	50,713
Capital expenditure from GAG	72,259	-	(35,023)	43,222	80,458
Assets transferred from predecessor school	5,790,688	-	(112,083)	-	5,678,605
	5,877,949	50,713	(147,106)	28,220	5,809,776
Total restricted funds	4,806,299	4,329,092	(4,797,863)	(393,780)	3,943,748
Unrestricted funds					
Unrestricted funds	290,349	340	(112)	(234,220)	56,357
Total unrestricted funds	290,349	340	(112)	(234,220)	56,357
Total funds	5,096,648	4,329,432	(4,797,975)	(628,000)	4,000,105

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

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

The pupil premium reserve represents grants funded by the DfE Group received and expended in the year.

Other grants in restricted funds were funded by other government grants and donations and will be spent on specific projects in future years.

The pension reserve represents the Academy's share of the LGPS pension fund deficit.

The restricted fixed asset funds are not available for spending as they represent the net book value of fixed assets transferred from the predecessor school and subsequent additions thereto. Future depreciation will be charged against these funds.

Unrestricted funds include surpluses transferred on academy conversion, to be spent at the discretion of the governors.

A transfer of £206,000 was made in the year from unrestricted funds to the GAG fund, in order to ensure the GAG fund remained in credit. This is in line with the school's expenditure plans ahead of its planned expansion and the consequent time lags in funding which will be addressed in future years.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

14. Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	141,189	3,526,804	(3,619,161)	(35,585)	13,247
Pupil premium	-	183,183	(183,183)	-	-
Other grants	130,154	247,744	(272,795)	-	105,103
Pension reserve	(1,400,000)	-	(193,000)	403,000	(1,190,000)
	(1,128,657)	3,957,731	(4,268,139)	367,415	(1,071,650)
Restricted fixed asset funds					
DfE Group capital grants	15,042	15,002	-	(15,042)	15,002
Capital expenditure from GAG	52,567	-	(31,025)	50,627	72,259
Assets transferred from predecessor school	5,902,771	-	(112,083)	-	5,790,688
	5,970,470	15,002	(143,108)	35,585	5,877,949
Total restricted funds	4,841,813	3,972,733	(4,411,247)	403,000	4,806,299
Unrestricted funds					
Unrestricted funds	284,205	6,233	(89)	-	290,349
Total unrestricted funds	284,205	6,233	(89)	-	290,349
Total funds	5,126,018	3,978,966	(4,411,336)	403,000	5,096,648

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

15. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	5,759,063	5,759,063
Current assets	56,357	248,823	50,713	355,893
Current liabilities	-	(93,851)	-	(93,851)
Pension scheme liability	-	(2,021,000)	-	(2,021,000)
Total net assets	56,357	(1,866,028)	5,809,776	4,000,105

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	5,862,947	5,862,947
Current assets	290,349	181,418	15,002	486,769
Current liabilities	-	(63,068)	-	(63,068)
Pension scheme liability	-	(1,190,000)	-	(1,190,000)
Total net assets	290,349	(1,071,650)	5,877,949	5,096,648

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

16. Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19 £	2017/18 £
Amounts due within one year	9,798	12,770
Amounts due between one and five years	2,941	12,739
	12,739	25,509

17. Reconciliation of net expenditure to net cash flow from operating activities	2018/19 £	2017/18 £
Net expenditure for the reporting period (as per the statement of financial activities)	(468,543)	(432,370)
Adjusted for:		
Depreciation (note 11)	147,046	148,108
Capital grants from DfE and other capital income	(50,713)	(15,002)
Interest receivable (note 5)	(340)	(391)
Defined benefit pension scheme cost less contributions payable (note 21)	168,000	156,000
Defined benefit pension scheme finance cost (note 21)	35,000	37,000
Decrease/(Increase) in debtors	15,517	(4,535)
Increase in creditors	30,783	12,530
Net cash used in operating activities	(123,250)	(103,660)

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

18. Cash flows from investing activities	2018/19	2017/18
	£	£
Dividends, interest and rent from investments	340	391
Purchase of tangible fixed assets	(43,162)	(50,627)
Capital grants from DfE/ESFA	50,713	15,002
Net cash provided by/ (used in) investing activities	7,891	(35,234)

19. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand and at bank	286,086	401,445
Total cash and cash equivalents	286,086	401,445

20. 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.

21. Pension and similar obligations

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

The latest actuarial valuation of the TPS was 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' 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.

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

21. Pension and similar obligations
Teachers' Pension Scheme (continued)

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

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

Valuation of the Teachers' Pensions Scheme

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

- employer contribution rates set at 16.4% until September 2019 after which date contribution rates are set at 23.6% of pensionable pay;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million;
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

During the period under review the Government paused the operation of the cost control mechanisms pending the outcome of an appeal against the findings within the McCloud/Sargeant case. As a result the scheme administrators issued two amended employer contribution rates that would be payable over the period (expected to be 4 years) during which the findings of the case would be implemented:

- uncorrected employer contribution rates set at 19.5% of pensionable pay with corrected employer contribution rates set at 22.8% of pensionable pay.

The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015.

The employer's pension costs paid to the TPS in the period amounted to £303,111 (2018: £272,598).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

21. Pension and similar obligations

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £259,923 (2018: £219,519) of which employer's contributions totalled £206,630 and employees' contributions totalled £53,293. Estimated employer's contributions for the period to 31 August 2020 total £204,000.

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.

During 2014 the academy entered into an agreement with the trustees of the scheme to make further deficit contributions in addition to normal funding levels. The rate relating to the deficit repayment is 5.7% based on a recovery period of 19 years.

Principal Actuarial Assumptions	2019	2018
Rate of increase in salaries	2.90%	2.90%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.90%	2.80%
Commutation of pension to lump sums	50%	50%

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Change in assumptions at 31 August 2019:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in real discount rate	13%	619,000
0.5% increase in the salary increase rate	2%	94,000
0.5% increase in pension increase rate	11%	513,000

The principal demographic assumption is the longevity assumption regarding members' life expectancies. It is estimated that were there to be an increase of one year in life expectancy, there would be an approximate increase in the employer's defined benefit obligation by around 3-5%.

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 102, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that an equivalent amount is already committed and is no longer available to the governors to further the charity's objectives.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

21. Pension and similar obligations

Local Government Pension Scheme (continued)

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

	2019	2018
Retiring today		
Males	21.4	22.5
Females	23.6	24.7
Retiring in 20 years		
Males	22.4	24.3
Females	25.0	26.7
The academy trust's share of the assets in the scheme were:	2019	2018
	£	£
Equities	1,632,000	1,452,000
Bonds	695,000	507,000
Property	321,000	277,000
Cash	27,000	69,000
Total market value of assets	2,675,000	2,305,000

Amounts recognised in the statement of financial activities	2018/19	2017/18
	£	£
Current service cost	(331,000)	(331,000)
Past service cost	(38,000)	-
Interest income	68,000	53,000
Interest cost	(103,000)	(90,000)
Total operating charge	(404,000)	(368,000)

Changes in the fair value of present value of defined benefit obligations were as follows:	2018/19	2017/18
	£	£
At 1 September	3,495,000	3,411,000
Current service cost	331,000	331,000
Interest cost	103,000	90,000
Employee contributions	53,000	46,000
Actuarial loss/ (gain)	710,000	(360,000)
Benefits paid	(34,000)	(23,000)
Past service cost	38,000	-
At 31 August	4,696,000	3,495,000

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

.....continued

21. Pension and similar obligations

Local Government Pension Scheme (continued)

Changes in the fair value of the academy's share of scheme assets:	2018/19	2017/18
	£	£
At 1 September	2,305,000	2,011,000
Interest income	68,000	53,000
Actuarial gain	82,000	43,000
Employer contributions	201,000	175,000
Employee contributions	53,000	46,000
Benefits paid	(34,000)	(23,000)
At 31 August	2,675,000	2,305,000

22. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. No related party transactions took place in the period of account other than certain governors' remuneration already disclosed in note 9.

The academy had a related charity, the Friends of Campion, which was dormant for a number of years. In November 2018, the bank account was closed and the charity wound up.

23. Events after the end of the reporting period

In November 2019, the cabinet of Warwickshire County Council formally approved the release of funding for its Education and Learning (Schools) capital programme for 2019/20, which amounted to a further £8.9 million (including developer contributions) relating to funding Phase 2 of a site development plan to expand Campion School. Phase 1 of the site development project, at a value of c£7.5 million, commenced before the year ended 31 August 2019 and has an anticipated completion date of September 2020.

24. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £2,400 and disbursed £12,770 from the fund. An amount of £2,587 is included in other creditors relating to undistributed funds that is repayable to ESFA.