

Registration number 07848338

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

Annual report and financial statements

Year ended 31 August 2014

Campion Academy Trust

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Campion Academy Trust

Reference and Administrative Details

Governors

Trustee governors

R Crowther (Chair) * **
L Compton (resigned 31 August 2014) *
G Dulay **
F Durrant ***
M Feldman ** ***
S Hamilton ***

Parent governors

D Mitchell (resigned 3 December 2013) ***
J Scheuer *
S Van Zeller (resigned 31 August 2014) **
A Leon (appointed 3 April 2014) *
K O'Reilly (appointed 3 April 2014) *
A Stickley (appointed 3 April 2014) **
S Atkinson (appointed 1 July 2014) ***
B Friar (appointed 1 July 2014) **

Elected staff governors

A Clifton *
N Hawkins (resigned 31 August 2014) ***
L Reid (resigned 31 August 2014) *

Co-opted governors

M Holford (resigned 3 March 2014) **

Governors appointed by the Trust

G Swan **
C Whitehouse (resigned 31 August 2014) ***
S Ashworth **
R Broomfield ***

*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

Company Secretary

S Horne

Senior Leadership Team

- | | |
|-------------------------|------------|
| • Headteacher | M Feldman |
| • Deputy Headteacher | S Bolsover |
| • Assistant Headteacher | A Morris |
| • Deputy Headteacher | M Morris |
| • Deputy Headteacher | J Panesar |
| • Assistant Headteacher | G Harrison |
| • Head of Post 16 | P Forsey |

Campion Academy Trust

Reference and Administrative Details

Principal and Registered Office

Sydenham Drive
Leamington Spa
Warwickshire
CV31 1QH

Company Registration Number

07848338

Independent Auditor

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

Bankers

Lloyds TSB
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 auditors' reports of the charitable company for the period 1 September 2013 to 31 August 2014. 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 ages 11 to 18 serving a catchment area in south Leamington Spa. It has a pupil capacity of 845 and had a roll of 602 in the school census on 1 September 2014.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustee governors act as the trustees for the charitable activities of Campion Academy Trust. All governors are also the directors of the charitable company for the purposes of company law. The charitable company is known as Campion Academy Trust and 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 and 2.

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)

The Academy holds an insurance policy with Ecclesiastical Insurance Office Plc Policy number FV12000002 which includes Governors' liability insurance. This qualifies 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 18 defined members with up to 3 appointed by co-option and provision for the local authority to appoint 1 governor. Six 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 organisational 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 Headteacher, three Deputy Headteachers, two Assistant Headteachers and a Head of Sixth Form. These leaders direct the academy at an executive level implementing the policies laid down by Governors and report 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 Principal Finance Officer. These members of staff implement detailed day to day operational management for their area of responsibility.

Connected Organisations, including Relating Party Relationships

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, the SWIRLS cluster, other local schools, universities and the Mid Counties Co-operative as part of the Businesses in the Community scheme and the National Grid.

Objectives and Activities

Objectives and Aims

The academy trust was incorporated on 15 November 2011 and the School gained Academy status on 1 January 2012. The academy trust's main objectives during the period 1 September 2013 to 31 August 2014 were 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;

Campion Academy Trust

Governors' Report

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Objectives and Aims (continued)

- 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 ever excellent relationships with parents; &
- Working in effective partnership with other schools, businesses and organisations in the community.

Objectives, Strategies and Activities

Priority area	Main activities
1. Academy Conversion	<ul style="list-style-type: none">• For the Academy conversion to have a beneficial impact on school management and students' achievement
2. 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• To implement appraisal linked to pay for teachers
3. 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
4. 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 13 students
5. 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 skills in academic, creative, technical and physical subjects• To implement tracking, monitoring of students' performance and concomitant intervention to improve it
6. 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

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Objectives, Strategies and Activities (continued)

Priority area	Main activities
7. 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• To implement tracking, monitoring of students' performance and concomitant intervention across the school
8. 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
9. Administration, Finance and Buildings	<ul style="list-style-type: none">• Develop the financial working practices necessary to thrive as an academy• Improve internal facilities for Sport and Drama• Enhance perimeter security

Public Benefit

In drafting the above statements, the trustees have complied with the duty 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 2013-14

Students' Achievement: Year 11

Target	Actual performance
65% of Year 11 to attain at least 5 A*-C grades including English and Maths at GCSE or equivalent	58%
55% of disadvantaged students in Year 11 to attain at least 5 A*-C grades including English and Maths at GCSE or equivalent	48%
85% of Year 11 matched cohort to have made 3 levels of progress between Key Stage 2-4 in English	95%
75% of Year 11 matched cohort to have made 3 levels of progress between Key Stage 2-4 in Maths	63%
80% of disadvantaged students in Year 11 to have made 3 levels of progress between Key Stage 2-4 in English	93%
62% of disadvantaged students in Year 11 to have made 3 levels of progress between Key Stage 2-4 in Maths	57%
55% of Year 11 students with English as an additional language to attain at least 5 A*-C grades including English and Maths at GCSE or equivalent	69%
Proportion of Higher, Middle and Lower prior attainers attaining 5A*-C EM to be above national average (Higher 94%, Middle 59%, Lower 7%)	Higher 94% Middle 73% Lower 11%

Campion Academy Trust

Governors' Report

.....continued

Achievements and Performance (continued)

Students' Achievement: Year 11 (continued)

The school set highly ambitious targets for a year group that had prior attainment on entry that was significantly below national average and well below that of previous Campion cohorts. This challenge was accentuated by the Department for Education's announcement in September 2013 that henceforth students' first entry only rather than best result would be valid in official performance tables in key subjects. This led to significant volatility in examination results nationally – indeed there have been substantial falls in national average attainment in 2014. Given these challenges the Academy regards the performance of the Year 11 cohort as at least good and in the key subject of English as very good. Campion's 2014 cohort achieved more highly than the national average despite its disadvantages. Key groups of students outperformed the national average for that group. For example the national average for disadvantaged students attaining 5A*-C EM was 39% - well below that achieved by this group at Campion in 2014.

Students' Achievement: Post 16

Target	Actual Performance
95% of Year 13 cohort to attain and least 3 A*-E grades or equivalent at Level 3	95%
Year 13 average points score per entry – academic: 214	209
Year 13 average points score per entry – vocational: 225	240

Outcomes in vocational subjects were well above ambitious targets – reflecting some excellent results. Outcomes in academic subjects were marginally below an ambitious target. It is expected that value added performance, when published officially, will be most positive. It is noteworthy that the pass rate for AS levels taken by Year 12 students was 93% - well above national average. Conclusion: The school has sustained the good progress made at Post 16 since 2012. The school has adapted well to a more explicit differentiation between academic and vocational qualifications at KS5.

Students' Achievement: Literacy at Key stage 3

The school undertook extensive intervention to enhance literacy. In addition to the whole school Accelerated Reader programme, experienced by all students in Years 7-10, the school introduced or developed intensive programmes such as reading intervention during registration, the Lexia programme and reading tuition from an external company – Sound Reading. The results of NFER Reading tests taken by all students in June 2014 and compared to tests taken in summer 2013 show that 85% had made standard age related progress and 28% had exceeded this. This pattern is consistent across year groups. Among students eligible for the Pupil Premium 90% had made at least age related progress and 23% had exceeded this age related expectation.

Campion Academy Trust

Governors' Report

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Achievements and Performance (continued)

Quality of Teaching

In 2013-14 the quality of teaching across the school was good. There was a further increase, during the year, in the proportion of good and outstanding teaching - of over 150 formally observed lessons, students' learning and progress and the quality of teaching was judged to be at least good in 90% and outstanding in 30%. Both of these were small increases from 2012-13 (87%, 27%) and 2011-12 (81% and 15%). The outcomes above achieved the ambitious targets set in the Academy's improvement plan.

All observations were followed up by extensive and developmental feedback. In all instances where the quality of teaching was judged to be below expected standard the teacher was re-observed soon afterwards and given further feedback. In the small number of cases where this process did not lead to the required standard a programme of professional support was utilised.

There was considerable input during the year into teachers' professional development through: appraisal, observation, collaborative projects and formal training. A team of high quality teachers was used to coach and to disseminate good practice. The school's practice in professional development was peer assessed by NTEN in Summer 2014 and judged to be very good.

Personal and Social Development: Attendance	Actual Performance
a) Overall attendance for the academic year is at least 95%	a) Autumn – Spring: 94.9% Whole Year: 95%
b) Persistent absence (15%) definition is under 6%	b) Autumn – Spring: 5.9% Whole Year 3.8%
c) Overall attendance of students eligible for Free School Meals is at least 93%	c) Whole Year: 93.1%
d) Persistent absence of students eligible for Free School Meals is 10 days	d) Whole Year: 3.8%

There was significant improvement in attendance during the year after a decline in 2012-13. The data above is representative of attendance performance which is at least equal to or in the majority of cases better than national averages which themselves improved substantially during the year. This improvement was the result of a series of effective actions including promotion of the value of high attendance and substantial intervention with individual students and their families.

Campion Academy Trust

Governors' Report

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Achievements and Performance (continued)

Personal and Social Development: Students' behaviour and engagement

There was continued and further improvement in students' behaviour both around the site and their engagement in lessons. Contributory factors included: the promotion of high expectations of behaviour combined with a supportive culture, consistent management and intervention, a good balance of inspiration, reward and sanction, good teaching, effective pastoral intervention and a strong enrichment programme. Students' engagement in learning was judged to be at least good in 96% and outstanding in 40% of formally observed lessons. In a parental survey in March 2014, 96% of respondents agreed that the school made sure its students were well behaved. In the same survey 97% of respondents stated that their child felt safe in school as did 97% of students who responded to a similar survey.

There was continued reduction in the number of serious incidents leading to fixed term exclusion. There were 29 fixed term exclusions during 2013-14 compared to 40 in 2012-13 and 57 in 2011-12 and a target of 30. Exclusions as a proportion of the whole school cohort were 4.9% against a 2013 national average of 6.8%. The number of fixed term exclusions for pupils eligible for Free School Meals reduced significantly and in 2013-14 was well below average for that group (7.9% of all students eligible for FSM against 17.2% for students eligible for FSM nationally).

Personal and Social Development: enrichment activity

There was an extension of careers education. During the year the school became a mainstay of the National Grid's Careers Lab national pilot – this provided an extensive development of careers education into Key Stage 3, and a large number of interactions with business ambassadors. All of our Year 10 students benefitted from two mock interviews with managers or human resources specialists from local businesses. This built on significant continued investment in independent Information, Advice and Guidance for year 11 and in the Sixth Form provided by CSWP.

During 2013-14 the school continued to provide productive activity to meet an objective of extending opportunities for curriculum enrichment. Each year group across years 7-10 experienced at least five days of creative, flexible learning activity. All students at Key stage 3 experienced at least one day of off-site learning, a significant number had several. Significant numbers of students participated in long distance visits including to Rome, WWI battlefields in Belgium and France and to Cumbria. In examples of intensive projects: all Post 16 students participated in formal debates on political and social issues, nearly 70 students participated in the Sports Leadership programme, over 30 students participated in the Gateway to Higher Education project, 15 students participated in the Eco-Group, 10 in the Amnesty International group, over 50 students had substantial participation in school productions or performances, over 200 students participated in internal competitive sport and over 120 in inter school competitive sport.

Site Development

There was successful refurbishment of the Reception area, Refectory and Post 16 common room and study areas. 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 or air conditioning. Extensive assessment of school buildings by the Department for Education considered the school to be well maintained given its age and the quality of the original build.

Campion Academy Trust

Governors' Report

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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 Funding Agency and performance or position of the academy. Other key performance indicators have been assessed within the Achievements and Performance section above.

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 2013 to 31 August 2014. The majority of the academy trust's income continues to be obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

This year the academy has recorded net expenditure of £157,688 (2013: net income £31,548) and an actuarial loss of £428,000 (2013: actuarial gain £51,000). 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 inflow from operating activities and that both the Restricted GAG fund and Unrestricted fund increased over the year. The impact of FRS17 is expanded on more fully in the reserves policy and in note 23 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 £5,614,319, which included tangible fixed assets of £6,351,465 and £239,212 of unrestricted reserves. 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 17, 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

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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, and failure to maintain academic standards. Control measures have been put in place to mitigate all these risks.

The academy undertook a thorough risk assessment exercise in the Spring and Summer of 2013. 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 the an external consultant who reports to Governors, a self evaluation of financial procedures which has been moderated by the Education 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. A further in depth review is scheduled from Autumn 2014.

Plans for future periods

Key targets for the school in 2014-15 include:

Priority	Key performance criteria
Enhance staff development and capacity	<ul style="list-style-type: none">• All newly qualified teachers and Teach First teachers experience highly effective induction and professional support.• All key middle leaders achieve a significant enhancement in leadership capacity during the year• Over 90% of respondents agree, in survey of teachers, that their experience of training in 2014-15 has had a strong impact in improving a) the quality of their teaching and b) improving their capacity
Raise achievement: Year 11 Whole Cohort	<ul style="list-style-type: none">• 65% of 2015 cohort to attain at least 5A*-C including English and maths• 85% of the cohort to achieve 3 levels of progress in English in 2015• 80% of the cohort to achieve 3 levels of progress in maths in 2015• 40% of the cohort to achieve 4 levels of progress in maths
Raise achievement: Year 11 student groups	<ul style="list-style-type: none">• 55% of disadvantaged students to attain at least 5A*-C grades including English and maths• 80% of disadvantaged students to achieve 3 levels of progress in English• 70% of disadvantaged students to achieve 3 levels of progress in maths• In both English and maths at least 90% of students who attained a level 5 at KS2 gain at least a grade B in GCSE examinations

Campion Academy Trust

Governors' Report

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Plans for future periods (continued)

Priority	Key performance criteria
Raise achievement: Post 16	<ul style="list-style-type: none"> At least 95% of Year 13 cohort have a positive destination in education, training or employment for 2015-16 Year 13 attain an Average Points Score per entry of at least 215 in academic qualifications and 235 in vocational qualifications At least 60% of students (without Level 2 at the start of the year) attain Grade C in English and/or maths by summer 2014
Raise achievement: Key Stage 3	<ul style="list-style-type: none"> By the end of the school year internal data tracking will show that at least 75% of each year group are on track to make 2 levels progress during KS3 in each subject area By the end of the school year internal data tracking will show that at least 70% of the Pupil Premium cohort of each year group are on track to make 2 levels progress during KS3 in each subject area
Personal and social development: improve attendance	<ul style="list-style-type: none"> Overall attendance for the first two terms to be at least 95.5% Overall attendance for the academic year to be at least 95.5% Persistent Absence to be under 5% Overall attendance for the academic year of students eligible for the Pupil Premium is at least 94% Persistent absence of students eligible for the Pupil Premium is under 7%
Personal and social development: Post 16	<ul style="list-style-type: none"> All Post 16 students receive at least five hours of input on future careers or progression In exit survey all Y13 students will state that they feel well prepared to sustain their progression destination All Post 16 students receive at least 25 hours of curriculum enrichment activity
Personal and social development: Preparing for future careers	<ul style="list-style-type: none"> Every student in Years 7-9 will receive significant input on careers within the formal curriculum Every student in Years 10-11 will receive impartial IAG, experience training in the process of job application and a significant careers event
Personal and social development: Provision of opportunity for wider engagement	<ul style="list-style-type: none"> At least 30% of students in Years 7-11 will have a significant leadership experience during the academic year At least 40% of students in Years 7-11 will participate in a significant enrichment club, team or event At Least 200 students in years 7-13 will experience an outdoor education activity and at least 100 of these will experience an offsite outdoor education activity All students identified as GMTA will visit a Russell Group University during the year
Personal and social development: to implement SEN code of practice 2014	<ul style="list-style-type: none"> The school will have published its SEN Information Report By January 2015 the school will have undertaken a thorough review of its SEN register to ensure that all students are a) designated correctly and b) in receipt of requisite intervention All key agents in the school will understand the consequences of the change to Education and Health Care Plans The school will have reviewed its intervention programmes for social, emotional and mental health

Campion Academy Trust

Governors' Report

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Plans for future periods (continued)

Priority	Key performance criteria
Teaching and Learning: Ensure high quality teaching	<ul style="list-style-type: none">• Learning and Progress is judged to be at least Good in at least 90% and Outstanding in at least 30% of lessons observed by SLT in the September 2014-July 2015 period• 90% of lesson observations and work trawls and the great majority of contributions to focus groups give evidence that the vast majority of teachers utilise assessment for learning methodology effectively in lessons and in feedback to learners
Finance, Building and Administration	<ul style="list-style-type: none">• By July 2015 the school will have an effective master plan to support expansion of student numbers• By July 2015 a coherent and effective plan for balancing in year budget up until 2018 is in place.

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.

Approved by order of the members of the governing body on 3 December 2014 and signed on its 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 Governor's Report and in the Statement of Governors' responsibilities. The governing body has formally met 4 times during the period. 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)	3	4
L Compton (resigned 31 August 2014)	2	4
G Dulay	0	4
M Feldman	4	4
S Hamilton	4	4
D Mitchell (resigned 3 December 2013)	0	1
J Scheuer	3	4
S Van Zeller (resigned 31 August 2014)	0	4
A Clifton	3	4
N Hawkins (resigned 31 August 2014)	4	4
L Reid (resigned 31 August 2014)	3	4
M Holford (resigned 3 March 2014)	0	2
G Swan	0	4
C Whitehouse (resigned 31 August 2014)	3	4
R Broomfield	1	4
S Ashworth	3	4
A Leon (appointed 3 April 2014)	2	2
K O'Reilly (appointed 3 April 2014)	1	2
A Stickley (appointed 3 April 2014)	2	2
S Atkinson (appointed 1 July 2014)	1	1
B Friar (appointed 1 July 2014)	1	1

Governance reviews

No internal self-evaluation or external review was undertaken in the year under review. In October 2014 the school was inspected by Ofsted, which concluded that the governors of the school were effective, with an accurate view of the school's strengths and weaknesses and sound financial planning to ensure resources were used well.

Campion Academy Trust

Governance Statement

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Governance (continued)

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
M Holford (Resigned 3 March 2014)	2	3
S Ashworth	6	6
R Crowther (Acting Chair)	6	6
G Swan	2	6
M Feldman	6	6
S Hamilton	3	6
A Stickley	1	2

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 2013 to 31 August 2014 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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.

Campion Academy Trust

Governance Statement

.....continued

The Risk and Control Framework (continued)

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. On a termly 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.

Review of Effectiveness

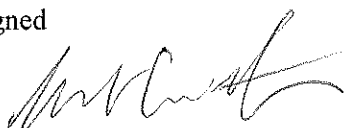
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 3 December 2014 and signed on its behalf by:

Signed



R Crowther
Chair

Signed



M Feldman
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 Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.

Signed



M Feldman
Accounting Officer

Campion Academy Trust

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities and are also directors of Campion Academy Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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 the 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;
- 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 that grants received from the EFA/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 3 December 2014 and signed on its behalf by:

Signed



R Crowther
Chair

Campion Academy Trust

Independent Auditor's Report to the members of Campion Academy Trust Limited

We have audited the financial statements of Campion Academy Trust Limited for the year ended 31 August 2014, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 19, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Campion Academy Trust

Independent Auditor's Report to the members of Campion Academy Trust Limited

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Sarah Wilson ACA MSci (Senior Statutory Auditor)
For and on behalf of Harrison, Beale & Owen Limited

Highdown House
11 Highdown Road
Leamington Spa
CV31 1XT

3 December 2014

Campion Academy Trust

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

In accordance with the terms of our engagement letter dated 24 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 the EFA 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Campion Academy Trust and the EFA, 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 2013 (updated October 2013), 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Campion Academy Trust

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

The work undertaken to draw our conclusions included:

- 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 2013 to 31 August 2014 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

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

3 December 2014

Campion Academy Trust

Statement of Financial Activities for the year ended 31 August 2014 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Year to 2014 £	Total Period to 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	-	7,952	-	7,952	24,685
Activities for generating funds	3	17,225	73,231	-	90,456	127,921
Investment income	4	811	-	-	811	715
Income resources from charitable activities:						
Funding for the academy trust's educational operations	5	-	3,935,714	13,973	3,949,687	3,933,686
Total incoming resources		<u>18,036</u>	<u>4,016,897</u>	<u>13,973</u>	<u>4,048,906</u>	<u>4,087,007</u>
Resources expended						
Charitable activities:						
Academy trust educational operations	7	3,007	4,002,419	167,440	4,172,866	4,025,274
Governance costs	8	-	33,728	-	33,728	30,185
Total resources expended		<u>3,007</u>	<u>4,036,147</u>	<u>167,440</u>	<u>4,206,594</u>	<u>4,055,459</u>
Net incoming/(outgoing) resources before transfers		15,029	(19,250)	(153,467)	(157,688)	31,548
Gross transfers between funds	15	-	(11,769)	11,769	-	-
Net income/(expenditure) for the year/period		<u>15,029</u>	<u>(31,019)</u>	<u>(141,698)</u>	<u>(157,688)</u>	<u>31,548</u>
Other recognised gains and losses						
Actuarial (losses)/ gains on defined benefit pension schemes	23	-	(428,000)	-	(428,000)	51,000
Net movement in funds		<u>15,029</u>	<u>(459,019)</u>	<u>(141,698)</u>	<u>(585,688)</u>	<u>82,548</u>
Reconciliation of funds						
Total funds brought forward at 1 September 2013		224,183	(517,339)	6,493,163	6,200,007	6,117,459
Total funds carried forward at 31 August 2014		<u>239,212</u>	<u>(976,358)</u>	<u>6,351,465</u>	<u>5,614,319</u>	<u>6,200,007</u>

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 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		6,337,492		6,479,342
Current assets					
Debtors	13	132,865		94,025	
Cash at bank and in hand		<u>472,426</u>		<u>453,965</u>	
		605,291		547,990	
Creditors: Amounts falling due within one year	14	<u>(65,464)</u>		<u>(62,325)</u>	
Net current assets			<u>539,827</u>		<u>485,665</u>
Total assets less current liabilities			6,877,319		6,965,007
Net assets excluding pension liability			<u>6,877,319</u>		<u>6,965,007</u>
Pension scheme liability	23		(1,263,000)		(765,000)
Net assets including pension liability			<u>5,614,319</u>		<u>6,200,007</u>
Funds of the academy:					
Restricted income funds					
Fixed asset funds	15	6,351,465		6,493,163	
General fund	15	286,642		247,661	
Pension reserve	15	<u>(1,263,000)</u>		<u>(765,000)</u>	
Total restricted funds		<u>5,375,107</u>		<u>5,975,824</u>	
Unrestricted funds					
General fund	15	<u>239,212</u>		<u>224,183</u>	
Total unrestricted funds		<u>239,212</u>		<u>224,183</u>	
Total funds			<u>5,614,319</u>		<u>6,200,007</u>

The financial statements on page 24 to 44 were approved by the Governors and authorised for issue on 3 December 2014 and are signed on their behalf by:

Signed



R Crowther
Chair

Campion Academy Trust

Cash flow statement for the year ended 31 August 2014

	Notes	Year to 2014 £	Year to 2013 £
Net cash inflow from operating activities	18	29,267	100,869
Returns on investments and servicing of finance	19	811	715
Capital expenditure	20	(11,617)	(45,502)
Increase in cash in the period	21	<u>18,461</u>	<u>56,082</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		453,965	397,883
Net funds at 31 August 2014		<u>472,426</u>	<u>453,965</u>

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The 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 one year from the date of approval of the financial statements.

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **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 is certainty of receipt and it is measurable.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

- **Donated Services and gifts in kind**

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

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

1. Statement of Accounting Policies (continued)

- **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

- **Investment income**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources Expended

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

- **Cost of generating funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, 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%
Fixtures, fittings and equipment	20%
Computer equipment	33.33%

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

1. Statement of Accounting Policies (continued)

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

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

Leased Assets

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

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currently to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

1. Statement of Accounting Policies (continued)

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

2. Voluntary Income	Unrestricted Funds	Restricted Funds	Total year to 2014	Total year to 2013
	£	£	£	£
Other donations	-	7,952	7,952	24,685
	-	7,952	7,952	24,685

3. Activities for Generating Funds	Unrestricted Funds	Restricted Funds	Total year to 2014	Total year to 2013
	£	£	£	£
Hire of facilities	17,212	-	17,212	20,666
Academy trips	-	53,059	53,059	41,207
Music tuition	-	6,231	6,231	8,596
Other income	13	13,941	13,954	57,452
	17,225	73,231	90,456	127,921

4. Investment Income	Unrestricted Funds	Restricted Funds	Total year to 2014	Total year to 2013
	£	£	£	£
Short term deposits	811	-	811	715
	811	-	811	715

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

5. Funding for Academy's educational operations	Unrestricted Funds	Restricted Funds	Total year to 2014	Total year to 2013
	£	£	£	£
DfE/EFA capital grants	-	13,973	13,973	13,821
Academy capital grants	-	13,973	13,973	13,821
DfE/EFA revenue grants				
General Annual Grant	-	3,568,930	3,568,930	3,469,737
Other DfE/EFA grants	-	207,890	207,890	194,231
	-	3,776,820	3,776,820	3,663,968
Other Government grants				
Local Authority grants	-	59,719	59,719	126,086
Special educational projects	-	99,175	99,175	129,811
	-	158,894	158,894	255,897
	-	3,949,687	3,949,687	3,933,686

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

6. Resources Expensed

	Staff costs	Non-pay expenditure Premises	Other costs	Total year to 2014	Total year to 2013
	£	£	£	£	£
Academy's educational operations					
- Direct costs	2,690,507	112,082	435,491	3,238,080	3,132,288
- Allocated support costs	603,736	84,082	246,968	934,786	892,986
	3,294,243	196,164	682,459	4,172,866	4,025,274
Governance costs including allocated support costs	2,198	-	31,530	33,728	30,185
	3,296,441	196,164	713,989	4,206,594	4,055,459

Incoming/outgoing resources for the year include

	2014 £	2013 £
Operating leases – equipment	8,158	15,484
Fees payable to auditor – audit	4,500	4,500
Other services	2,200	750

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

7. Charitable Activities – Academy’s educational operations	Unrestricted Funds	Restricted Funds	Total year to 2014	Total year to 2013
	£	£	£	£
Direct costs				
Teaching and educational support staff costs	-	2,690,507	2,690,507	2,571,921
Depreciation	-	167,440	167,440	159,558
Educational supplies	-	274,628	274,628	290,205
Examination fees	-	64,919	64,919	83,334
Staff development	-	12,755	12,755	6,409
Educational consultancy	-	16,247	16,247	14,512
Other direct costs	-	11,584	11,584	6,349
	-	3,238,080	3,238,080	3,132,288
Allocated support costs				
Support staff costs	2,918	600,818	603,736	545,273
Recruitment and support	-	2,932	2,932	2,576
Maintenance of premises and equipment	-	84,082	84,082	120,718
Cleaning	-	15,002	15,002	14,538
Rent and rates	-	20,454	20,454	7,417
Insurance	-	14,935	14,935	599
Security and transport	-	7,366	7,366	7,415
Catering	-	31,518	31,518	35,647
Bank interest and charges	89	-	89	64
Other support costs	-	154,672	154,672	158,739
	3,007	931,779	934,786	892,986
	3,007	4,169,859	4,172,866	4,025,274
8. Governance costs	Unrestricted Funds	Restricted Funds	Total year to 2014	Total year to 2013
	£	£	£	£
Legal and professional fees	-	24,830	24,830	21,863
Auditor’s remuneration				
Audit of financial statements	-	4,500	4,500	4,500
Other audit costs	-	2,200	2,200	1,913
Support staff costs	-	2,198	2,198	1,909
	-	33,728	33,728	30,185

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

9. Staff costs	Year to 2014 £	Year to 2013 £
Staff costs during the period were		
Wages and salaries	2,655,943	2,527,882
Social security costs	189,431	181,570
Pension costs	432,754	397,589
	<u>3,278,128</u>	<u>3,107,041</u>
Supply staff costs	18,313	12,062
	<u>3,296,441</u>	<u>3,119,103</u>

The average number of persons (including senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

Staff numbers	2014 No.	2013 No.
Charitable Activities		
Teachers	42	52
Administration and support	45	33
Management	7	7
	<u>94</u>	<u>92</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2014 No.	2013 No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

The employee above participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this member of staff amounted to £11,150 (2013: £10,512).

10. Related Party Transactions - Governors' remuneration and expenses

The Principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy trust in respect of their role as governors. The value of governors' remuneration was as follows:

M Feldman (principal and governor):	£75,000 - £80,000 (2013: £75,000 - £80,000)
A Clifton (staff governor):	£20,000 - £25,000 (2013: £20,000 - £25,000)
N Hawkins (staff governor):	£40,000 - £45,000 (2013: £40,000 - £45,000)
L Reid (staff governor):	£30,000 - £35,000 (2013: £25,000 - £30,000)

During the year ended 31 August 2014, travel and subsistence expenses were £Nil (2013: £Nil). There were no expenses reimbursed to governors.

Other related party transactions involving the governors are set out in note 25.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

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11. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £706 (2013: £706).

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

12. Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost or valuation				
At 1 September 2013	6,537,906	118,790	84,720	6,741,416
Additions	-	5,007	20,583	25,590
Disposals	-	-	-	-
At 31 August 2014	6,537,906	123,797	105,303	6,767,006
Depreciation				
At 1 September 2013	186,805	33,711	41,558	262,074
Charged in period	112,082	24,393	30,965	167,440
Disposals	-	-	-	-
At 31 August 2014	298,887	58,104	72,523	429,514
Net book values				
At 31 August 2014	6,239,019	65,693	32,780	6,337,492
At 31 August 2013	6,351,101	85,079	43,162	6,479,342

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

13. Debtors	2014	2013
	£	£
Trade debtors	8,322	300
Prepayments and accrued income	89,960	61,156
VAT recoverable	34,583	32,569
	<u>132,865</u>	<u>94,025</u>
 14. Creditors: amounts falling due within one year	 2014	 2013
	£	£
Trade creditors	7,541	15,197
Accruals and deferred income	57,923	47,128
	<u>65,464</u>	<u>62,325</u>
 Deferred income	 2014	
	£	
Deferred income at 1 September 2013	28,624	
Resources deferred in the period	32,205	
Amounts released from previous periods	(28,624)	
Deferred income at 31 August 2014	<u>32,205</u>	

Deferred income includes grant income of £13,883 and other income of £18,322 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 2014

.....continued

15. Funds	Balance at 1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	156,493	3,568,930	(3,468,627)	(26,412)	230,384
Other DfE/EFA/ Other government grants	57,552	366,784	(387,195)	-	37,141
General fund	33,616	81,183	(110,325)	14,643	19,117
Pension reserve	(765,000)	-	(70,000)	(428,000)	(1,263,000)
	(517,339)	4,016,897	(4,036,147)	(439,769)	(976,358)
Restricted fixed asset funds					
DfE/EFA capital grants	13,821	13,973	-	(13,821)	13,973
Capital expenditure from GAG	79,643	-	(33,961)	25,590	71,272
Assets transferred from predecessor school	6,399,699	-	(133,479)	-	6,266,220
	6,493,163	13,973	(167,440)	11,769	6,351,465
Total restricted funds	5,975,824	4,030,870	(4,203,587)	(428,000)	5,375,107
Unrestricted funds					
Unrestricted funds	224,183	18,036	(3,007)	-	239,212
Total unrestricted funds	224,183	18,036	(3,007)	-	239,212
Total funds	6,200,007	4,048,906	(4,206,594)	(428,000)	5,614,319

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 2014.

Other DfE/EFA/ Other government grants represent surplus funds, most of which were inherited from the predecessor school, which will be used on specific projects in future years.

The general fund represents the general funds held within the Academy's voluntary and other funds.

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.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

16. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	6,337,492	6,337,492
Current assets	239,212	352,106	13,973	605,291
Current liabilities	-	(65,464)	-	(65,464)
Pension scheme liability	-	(1,263,000)	-	(1,263,000)
Total net assets	239,212	(976,358)	6,351,465	5,614,319

17. Financial commitments

Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Other		
Expiring within one year	3,207	-
Expiring within two and five years inclusive	4,204	8,692
	<u>7,411</u>	<u>8,692</u>

18. Reconciliation of net income to net cash inflow from operating activities

	2014 £	2013 £
Net (expenditure)/ income	(157,688)	31,548
Depreciation (note 12)	167,440	159,558
Capital grants from DfE and other capital income	(13,973)	(13,821)
Interest receivable (note 4)	(811)	(715)
FRS 17 pension cost less contributions payable (note 23)	46,000	27,000
FRS 17 pension finance income (note 23)	24,000	25,000
Increase in debtors	(38,840)	(18,644)
Increase/ (Decrease) in creditors	3,139	(109,057)
Net cash inflow from operating activities	29,267	100,869

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

19. Returns on investments and servicing of finance	2014	2013
	£	£
Interest received	<u>811</u>	<u>715</u>
Net cash inflow from returns on investment and servicing of finance	<u>811</u>	<u>715</u>

20. Capital expenditure and financial investment	2014	2013
	£	£
Purchase of tangible fixed assets	<u>(25,590)</u>	<u>(59,323)</u>
Capital grants from DfE/EFA	<u>13,973</u>	<u>13,821</u>
Net cash outflow from capital expenditure and financial investment	<u>(11,617)</u>	<u>(45,502)</u>

21. Analysis of changes in net funds	At 1		At 31
	September	Cash flows	August
	2013		2014
	£	£	£
Cash in hand and at bank	<u>453,965</u>	<u>18,461</u>	<u>472,426</u>
	<u>453,965</u>	<u>18,461</u>	<u>472,426</u>

22. Members' Liability

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

23. Pension 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 defined-benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

23. Pension and similar obligations **Teachers' Pension Scheme (continued)**

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 and the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

23. Pension and similar obligations

Teachers' Pension Scheme (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £151,922 of which employer's contributions totalled £116,079 and employees' contributions totalled £35,844. The agreed contribution rates for future years are 20.8% for employers and 5.5% to 7.5% for employees.

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

During the year the academy has 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

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.50%	5.10%
Rate of increase for pensions in payment/inflation	2.70%	2.80%
Discount rate for scheme liabilities	3.70%	4.60%
Inflation assumption (CPI)	2.70%	2.80%
Commutation of pension to lump sums	50%	50%

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

23. 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:

	At 31 August 2014	At 31 August 2013
Retiring today		
Males	22.4	21.9
Females	24.4	23.6
Retiring in 20 years		
Males	24.3	22.8
Females	26.6	25.9

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

	Expected Return at 31 August 2014	Fair value at 31 August 2014 £	Expected Return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.30%	688,000	6.60%	681,000
Bonds	3.40%	213,000	3.90%	221,000
Property	4.50%	101,000	4.70%	90,000
Cash	3.30%	10,000	3.60%	10,000
Total market value of assets		1,012,000		1,002,000
Present value of scheme liabilities				
- Funded		(2,275,000)		(1,767,000)
Deficit in the scheme		(1,263,000)		(765,000)

The actual return on scheme assets was £134,000 (2013: £136,000).

Amounts recognised in the statement of financial activities	2014 £	2013 £
Current service cost (net of employee contributions)	158,000	146,000
Past service cost	-	-
Total operating charge	158,000	146,000

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	62,000	39,000
Interest on pension liabilities	(86,000)	(64,000)
Pension finance income/(costs)	(24,000)	(25,000)

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

23. Pension and similar obligations

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £451,000 loss (2013: £23,000 loss).

Movements in the present value of defined benefit obligations were as follows:	2014 £	2013 £
At 1 September	1,767,000	1,473,000
Current service cost	158,000	146,000
Interest cost	86,000	64,000
Employee contributions	36,000	38,000
Actuarial loss	231,000	46,000
Benefit paid	(3,000)	-
Past Service cost	-	-
Curtailments and settlements	-	-
At 31 August	2,275,000	1,767,000

Movements in the fair value of academy's share of scheme assets:	2014 £	2013 £
At 1 September	1,002,000	709,000
Expected return on assets	62,000	39,000
Actuarial (loss)/ gain	(197,000)	97,000
Employer contributions	112,000	119,000
Employee contributions	36,000	38,000
Benefits paid	(3,000)	-
At 31 August	1,012,000	1,002,000

The estimated value of employer contributions for the year ended 31 August 2015 is £123,000.

The five year history of experience adjustments is as follows:

	Year ended 31.08.2014 £	Year ended 31.08.2013 £	8 months ended 31.08.2012 £
Present value of defined benefit obligations	(2,275,000)	(1,767,000)	(1,473,000)
Fair value of share of scheme assets	1,012,000	1,002,000	709,000
Deficit in the scheme	(1,263,000)	(765,000)	(764,000)
Experience adjustments on share of scheme assets:			
(Losses)/ Gains	(197,000)	97,000	18,000
Experience adjustments on scheme liabilities:			
(Losses)	(231,000)	(46,000)	(92,000)

Campion Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

.....continued

23. Pension and similar obligations

Local Government Pension Scheme (continued)

Sensitivity analysis

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

Change in assumptions at 31 August 2014:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in real discount rate	14%	312,000
1 year increase in member life expectancy	3%	68,000
0.5% increase in the salary increase rate	7%	153,000
0.5% increase in pension increase rate	7%	149,000

For this year's accounts the actuary has used different assumptions to the prior year, as disclosed above, the application of which has resulted in a loss of £270,000 recognised for the year as an actuarial loss within the Statement of Financial Activities.

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, 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 than 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.

24. Contingent liabilities

As at the prior year balance sheet date the academy had a potential liability for additional staffing costs which could be enforced under the terms and conditions of contracts with the former local authority, in respect of hours worked out of term time. This contingent liability amounted to £25,000 in 2013. During the year under review the liability crystallised and was discharged. Thus, the academy no longer has a contingent liability at the balance sheet date.

25. Related Party Transactions

Owing to the nature of the academy trust's operations 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 a member of the board of governors 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. The following related party transaction took place in the period of account:

M Feldman, son of the Headteacher and Accounting Officer, was employed on a fixed term employment contract. The cost to the academy within staff costs, including gross salary, employer's national insurance and pension contributions was £6,968. The appointment was made in accordance with the EFA's Financial Handbook and the academy's internal procedures.