

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

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

**Annual report and financial statements**

**Year ended 31 August 2016**

# Campion Academy Trust

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## **Campion Academy Trust**

### **Reference and Administrative Details**

#### **Governors**

##### **Members**

R Crowther (Chair) \* \*\*  
G Dulay \*\*  
F Durrant \*\*\*  
J Panesar +

##### **Parent governors**

J Scheuer \*  
J Floyd \*  
A Leon \*  
K O'Reilly \*  
A Stickley \*\*  
P Rutland (appointed 7 October 2015) \*

##### **Elected staff governors**

T Preston (resigned 31 August 2016) \*\*\*  
T Collins (appointed 7 October 2015) \*\*\*  
R Fairbrother (appointed 12 October 2016) \*\*  
R Ruddlesdin (appointed 12 October 2016) \*

##### **Co-opted governors**

S Atkinson \*\*

##### **Governors appointed by the Trust**

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

+ J Panesar was co-opted as a governor and director of the charitable company on 1 July 2015. He became a governor by virtue of office as Headteacher and Accounting Officer on 1 September 2015 and was formally appointed as a trustee governor and member on 13 October 2015.

##### **Company Secretary**

S Horne

##### **Senior Leadership Team**

• Headteacher	J Panesar
• Deputy Headteacher	S Bolsover
• Deputy Headteacher	M Morris
• Assistant Headteacher	A Morris
• Assistant Headteacher	G Harrison
• Head of Post 16	P Forsey
• Business Manager (from September 2015)	B Langley
• Head of Humanities (from September 2016)	N Hawkins

## **Campion Academy Trust**

### **Reference and Administrative Details**

<b>Principal and Registered Office</b>	Sydenham Drive Leamington Spa Warwickshire CV31 1QH
<b>Company Registration Number</b>	07848338
<b>Independent Auditor</b>	Harrison, Beale & Owen Limited Highdown House 11 Highdown Road Leamington Spa Warwickshire CV31 1XT
<b>Bankers</b>	Lloyds Bank 73 Parade Leamington Spa Warwickshire CV32 4BB
<b>Solicitors</b>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES



## **Campion Academy Trust**

### **Governors' Report**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in south Leamington Spa. It has a pupil capacity of 870 and had a roll of 635 in the school census on 1 September 2016.

### **Structure, Governance and Management**

#### **Constitution**

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

The trustee governors are also the directors of the charitable company for the purposes of company law. The charitable company 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)**

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

#### **Principal Activities**

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

#### **Method of Recruitment and Appointment or Election of Governors**

The governing body consists of up to eighteen defined members with up to three appointed by co-option and provision for the local authority to appoint one 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**

.....continued

#### **Structure, Governance and Management (continued)**

##### **Organisational Structure**

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

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

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

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

##### **Arrangements for setting pay and remuneration of key management personnel**

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

##### **Related Parties and other Connected Charities and Organisations**

There are no formal connected organisations. However, the academy has significant liaison and partnership with a range of organisations including the Local authority, the Warwickshire secondary schools Central Area Partnership, the Central Warwickshire School Sports Partnership, other local schools (Southam College and Kenilworth School), universities (including Warwick and Coventry) and the National Grid.

#### **Objectives and Activities**

##### **Objectives and Aims**

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

This will include emphasis on:-

- A whole school ethos promoting the virtues of developing oneself, respecting and caring for others, understanding of the rights of all to equal opportunity and the making of a strong contribution to the wider community;



## Campion Academy Trust

### Governors' Report

.....continued

#### Objectives and Aims (continued)

- A curriculum which develops high levels of knowledge, understanding and skills to enable our students to become reflective and fulfilled individuals, and successful, in work, as future parents and as citizens;
- Continual improvement in the quality of teaching;
- Excellent standards in preparation of students for public examinations;
- Excellence in pastoral care, guidance, support and safeguarding;
- The provision of a wide range of curriculum enrichment opportunities;
- The provision of opportunity for our staff to enjoy, develop and lead;
- The creation of ever excellent relationships with parents; and
- Working in effective partnership with other schools, businesses and organisations in the community.

#### Objectives, Strategies and Activities

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

## Campion Academy Trust

### Governors' Report

.....continued

#### Objectives, Strategies and Activities (continued)

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

#### 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

.....continued

#### Strategic Report

##### Achievements and Performance

##### Report on performance in relation to principal activities of Campion Academy Trust in 2015-16

##### Students' Achievement: Year 11

Target	Actual performance
65% of 2016 cohort to attain at least 5 A*-C grades including English and Maths	65%
To achieve a Progress 8 score above the national average	0.31
To achieve a Progress 8 score of 0.3 for all pupils in Year 11	0.31 (NA = -0.03)
To achieve a Progress 8 score for disadvantaged pupils above national average	-0.12 (NA not known)
To achieve an attainment score of 45.0	49.1
To achieve 95% whole school attendance	94.5%

The school set highly ambitious targets for a year group that had prior attainment on entry that was significantly below national average. 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. Changes in the curriculum and assessment have led to challenges predicting pupil performance this year. The introduction of Progress 8 and Attainment 8 with new more rigorous examination conditions has again been challenging.

Given these challenges the academy regards the performance of the Year 11 cohort as excellent. The Progress 8 score of 0.31 is an un-validated result and we expect the figure to approach 0.4 when the final results are republished in January 2017. The Progress 8 score of the school is the highest score of all the secondary schools in Leamington and Warwick. This has enhanced the positive reputation of the academy in the wider community.

The academy has introduced new rigorous expectations for all pupils including stricter uniform requirements and a mobile phone ban. These measures have been widely welcomed by external agencies working with the academy and parents. However, during the initial months of these changes attendance at the academy fell. Although the attendance has since risen and now exceeds national average, the average attendance for the last academic year remains 0.5% below our target.

The overall performance for the year 2015-2016 has been excellent and the academy has not only achieved highly, but has also cemented its excellent reputation and laid the foundations of future success.



## Campion Academy Trust

### Governors' Report

.....continued

#### Achievements and Performance (continued)

##### Students' Achievement: Post 16

Target	Actual Performance
Year 13 35.00 APS per academic entry (30=C, 40=B)	38.03
Year 13 39.00 APS per vocational entry	39.71
50% of GCSE retake pupils to move up 1 grade in GCSE English and Maths	55%
Retention rate 95%	Met

Overall Year 13 pupils achieved very highly this year. Value added, average point scores in academic and vocational qualifications have risen. The academic value added score has significantly risen this year from +0.16 to +0.51. This shows a growing confidence in our pupils' ability to study the academic subjects. More pupils are choosing to study academic subjects at Key Stage 4 and 5.

The improvements made in the academy at lower ages is having a positive effect on the learning culture at post 16. The percentage of pupils achieving academic qualifications at A\*-A grades was 33% and A\*-B grades was 61%. This performances not only exceeded national averages but is well above all the local schools. The vocational value added score has risen to 0.36 and the percentage of pupils achieving A\*-A grades in these qualifications was 79%. Again, this shows an excellent performance by our pupils and staff.

After further investment and support in GCSE English and Maths the progress of pupils studying these subjects in sixth form has rapidly improved. Progress in English was 0.82 and progress in Maths was 0.73. The academy exceeded all minimum performance levels at post 16.

The sixth form remains popular amongst Campion School pupils and we are currently developing a marketing strategy to attract pupils from neighbouring schools.

##### Students' Achievement: Key stage 3

Pupils in Year 7/8 have been receiving literacy and numeracy interventions. This was a new initiative this year. The purpose of these interventions was to ensure that all pupils had a grasp of basic numeracy and literary skills. This would then ensure that they could fulfil their potential at GCSE. RATs data shows that pupils are making very good progress in basic numeracy. The interventions have made some impact on reading and writing as well.

Internal data shows that for Year 8 pupils:

- 86% of pupils are making expected or more than expected progress in English
- 88% of pupils are making expected or more than expected progress in Maths
- 94% of pupils are making expected or more than expected progress in Science
- Pupils eligible for the pupil premium funding are making excellent progress in this year group. The percentage of pupils making expected or more than expected progress in English, Maths and Science are 81%, 88% and 93% respectively.

## **Campion Academy Trust**

### **Governors' Report**

.....continued

#### **Achievements and Performance (continued)**

Year 8 pupils will start GCSE's from September 2016. Options have been completed and the vast majority of pupils have picked the EBACC options plus two others. This will be the first year group where the vast majority of pupils will study a GCSE language.

Internal data shows that for Year 7 pupils:

- 78% of pupils are making expected or more than expected progress in English
- 96% of pupils are making expected or more than expected progress in Maths
- 100% of pupils are making expected or more than expected progress in Science

The Year 7 cohort have higher prior attainment than Campion cohorts usually have. This has meant that teachers have stretched the most able in this year group in the core subjects. Many subjects have started GCSE content already e.g. Maths and Science. Next year, the English department will follow the Science and Maths teams by teaching GCSE content to higher prior attaining pupils in Year 7 and 8.

Monitoring has also shown that excellent progress is being made in the Humanities, Art, Music, Drama, Technology and the languages. Higher attaining pupils in Year 7 were expected to study Spanish and French for the first time this year. 50% of the year group studied 2 languages and we expect all to achieve the English Baccalaureate in Year 11.

#### **Quality of Teaching**

Teaching and learning is outstanding at Campion and continues to excel due to the excellent support and CPD programmes all staff have been able to access. We have developed a new teacher training programme that started on 4<sup>th</sup> July 2016 and continues into the summer holidays. This will ensure all new staff are fully aware of the systems and procedures that the school operates. Also, the staff will be given clear guidelines of the high expectations of the school. A new clearer version of the staff handbook has been disseminated to staff in July 2016.

Campion has joined a number of schools via the Southam teaching school initiative. Southam applied successfully to become a teaching school and have asked if we would like to become a partner school alongside Coundon Court in Coventry and Stratford High School. We will be working together to share good practice and develop pedagogy. We continue to work with Kenilworth (Ofsted Outstanding) in developing new teachers.

- This year there have been over 120 hours of lesson observations
- In the last round of formal observations 91% of lessons were evaluated as Good/ Outstanding. 31% were outstanding
- During this term all staff deemed as Good or Outstanding were observed via a learning walk and the standards are either being maintained or improved upon.
- Learning walks were used to inform leaders of day to day teaching and learning
- 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.



## **Campion Academy Trust**

### **Governors' Report**

.....continued

#### **Achievements and Performance (continued)**

##### **Personal and Social Development**

We have made significant progress in the personal development and welfare of pupils this year. We have started to make changes to the systems and processes to become more efficient and effective in our practice. Safeguarding is excellent and all staff have continued to be Child Protection ("CP") trained including in the PREVENT strategy.

- Attendance has been good this year and in line with national averages. Nationally, absence during the first term was 4.6%. Campion's figure was 4.9%. This is in line with national averages. The overall attendance was 94.5% (absence of 5.5%). Attendance is not yet outstanding because leaders have not systematically implemented interventions that address the issues behind low attendance. Attendance will become a priority area next year.
- The academy has appointed an attendance interventionist and refined systems to address any low attendance. The improvement of attendance so that it moves towards 96% and is above national average is a key priority for next year.

During 2015-16 the school continued to provide productive activity to meet an objective of extending opportunities for curriculum enrichment. 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 New York, 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. Sixth form have had a range of UCAS based events run in house and with Warwick University.

There have been over 136 sporting fixtures during this academic year including:

- Football
- Basketball
- Netball
- Cricket
- Athletics
- Tennis
- Rounders
- Badminton
- Street Dance
- Girls football
- Indoor athletics
- Swimming
- Biathlon
- Rowing
- Chess

This is a huge expansion on our extracurricular offer to pupils. Other extracurricular events include:

- Year 11 GCSE Art exhibition
- Y8 and Y7 pupils completed the UKMT Junior maths challenge. 14 achieved Gold, Silver or Bronze awards – the highest seen by the school



## **Campion Academy Trust**

### **Governors' Report**

.....continued

#### **Achievements and Performance (continued)**

- Year 9 competed in the Mid Counties Co-op Rusty Car design competition. One of our Year 9 pupils won.
- The school's Chess club competed in the Mega finals and won the U18 Girls competition and the U16 Boys competition. Four pupils from the club competed in the National Competition in Manchester.
- A Year 12 pupil won the Warwick University literature completion. She now has an internship with the Warwick university magazine (Lacuna).
- On the 1st May the school held a non-uniform day in memory of Gurkhamljit Dhanju who died in Year 9. We raised over £400 – the highest total for a non-uniform day. Money raised went to the charity DEBRA.
- The sixth form raised £267.02 for Tickled Pink by bag packing in ASDA
- The sixth form raised £453.35 for Myton Hospice by participating in the Regency run.
- The sixth form have also contributed to Children in need, Save the children and the DEBRA non uniform day.
- As well as the formal awards evening we held the Summer awards tea party for SEN pupils
- All Year 10 pupils have participated in work experience

The academy has also implemented an extensive careers plan that has included working with National Grid, Ricardo and Mid Counties Co-op. We held a very successful Careers day and have employed a careers advisor to work full time at the school starting in September 2016.

#### **Site Development**

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

#### **Key performance indicators**

The governors manage the academy on a funding stream basis and employ a number of key performance indicators to monitor the expenditure requirements of the Education 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 2015 to 31 August 2016. 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 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

## **Campion Academy Trust**

### **Governors' Report**

.....continued

#### **Financial Review (continued)**

This year the academy has recorded net expenditure of £256,434 (2015: £255,065) and an actuarial loss of £776,000 (2015: gain £41,000). The net expenditure for the year was in line with the academy's budget. Additionally, it should be noted that the academy generated only a small net cash outflow from operating activities and that the unrestricted fund increased over the year. The impact of the defined benefit pension adjustment is expanded on more fully in the reserves policy and in note 21 to the financial statements.

#### **Reserves Policy**

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

Reserves at the end of the period were £4,367,820, which included tangible fixed assets of £6,080,691 and £269,692 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 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff. This results in reducing the reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The academy is currently paying increased employer contributions to reduce this deficit.

#### **Investment Policy**

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

#### **Principal Risks and Uncertainties**

The principal risks to the academy are financial and result from a projected deficit on the Local Government Pension Scheme, the likelihood of the academy not meeting its budgetary targets and risks associated with changes to the funding formula. In addition there are the risks associated with fraud, damage to reputation, recruitment and maintenance of appropriately qualified staff and individuals charged with management and governance of the school, and failure to maintain academic and behavioural standards. Control measures have been put in place to mitigate all these risks.

The academy undertook a thorough risk assessment exercise in the Summer of 2016. This used a detailed process of analysing and evaluating both the likelihood and potential impact of risks in order to decide on relative significance. This was followed by decision on implementation of suitable procedures to mitigate these risks. The academy continues to remain alert to any possible risks arising from the emerging profile of the school.

The academy has a series of inspections and controls which act effectively to identify and mitigate risks – these include financial monitoring and control through an external consultant who reports to Governors, a self-evaluation of financial procedures which has been moderated by the Education 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.



## **Campion Academy Trust**

### **Governors' Report**

.....continued

#### **Plans for future periods**

##### **Key objectives for 2016-17:**

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

#### **Funds held as Custodian Trustee on behalf of others**

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

#### **Auditor**

Insofar as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the governing body, as the company's directors, on 6 December 2016 and signed on the governing body's behalf by:



**R Crowther**  
**Chair**

## Campion Academy Trust

### Governance Statement

#### Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Campion Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

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

Governor	Meetings attended	Out of a possible
R Crowther (Chairman)	4	4
F Durrant (Vice Chair)	4	4
G Dulay	2	4
J Panesar	4	4
S Ashworth	3	4
S Atkinson	2	4
R Broomfield	1	4
J Floyd	4	4
A Leon	4	4
K O'Reilly	4	4
A Stickley	1	4
T Preston (resigned 31 August 2016)	4	4
J Scheuer	2	4
T Collins (appointed 7 October 2015)	3	4
P Rutland (appointed 7 October 2015)	4	4
R Fairbrother (appointed 12 October 2016)	0	0
R Ruddlesdin (appointed 12 October 2016)	0	0

#### Governance reviews

A review of the operation of the governing body has led to minor rationalisation of committee remits and progress is being made on establishing formal terms of reference for the committees. Potential governors with relevant skills and experience are being sought with one new appointment anticipated in December 2016.

## Campion Academy Trust

### Governance Statement

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

Governor	Meetings attended	Out of a possible
S Ashworth (Chair)	5	6
R Crowther	6	6
G Dulay	1	6
J Panesar	6	6
A Stickley	4	6
T Preston (resigned 31 August 2016)	3	5

During the year the committee discussed various matters including strategies concerned with the possible expansion of the school in future years.

#### Review of Value for Money

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

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

- Where possible, existing staff members have been redeployed to fill vacancies and this has ensured a very effective use of existing resources rather than increasing staffing numbers. This has not affected teaching, learning or achievement. The academy has used its extensive knowledge of how to develop teachers to invest in newly qualified teachers. This has led to an effective use of resources without reducing the quality of teaching in the classroom. An example of this is the use of two experienced teachers to mentor, coach and support over five newly or less experienced teachers.
- The academy has considered the effectiveness of its insurance arrangements and discontinued its practice of purchasing staff absence insurance and has taken the decision to self-insure in this area, which has resulted in a substantial saving being made.
- During the 2015-2016 period the academy conducted a review of subscriptions to organisations, software programmes and other annually renewed teaching aids. Many have now become obsolete and led to the academy making a substantial saving. For example, the academy has saved £6,000 by not renewing its membership with the PIXL group.



## **Campion Academy Trust**

### **Governance Statement**

.....continued

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2015 to 31 August 2016 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 2015 to 31 August 2016 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.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed K Hanlan, as Independent Examiner. The Independent Examiner's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- review and testing of purchasing and payments procedures;
- review of the risk assessments undertaken by the academy trust;
- review and testing of income streams;
- review and testing of banking procedures and the reconciliation process;
- review and testing of payroll and HR procedures

## Campion Academy Trust

### Governance Statement

.....continued

#### The Risk and Control Framework (continued)

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. There were no material control issues arising as a result of the Independent examiner's work.

#### Review of Effectiveness

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

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

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

Approved by order of the members of the Governing Body on 6 December 2016 and signed on its behalf by:

Signed



R Crowther  
Chair

Signed



J Panesar  
Accounting Officer

## **Campion Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Campion Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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

A handwritten signature in black ink, appearing to read 'J. Panesar', with a horizontal line extending from the end of the signature.

J Panesar  
Accounting Officer

6 December 2016



## 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and good financial management. They are also responsible for ensuring grants received from the 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 6 December 2016 and signed on its behalf by:

Signed



R Crowther  
Chair

## **Campion Academy Trust**

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

We have audited the financial statements of Campion Academy Trust Limited for the year ended 31 August 2016, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, The Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

## **Campion Academy Trust**

### **Independent Auditor's Report on the Financial Statements 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' 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 FCA MSci (Senior Statutory Auditor)  
For and on behalf of Harrison, Beale & Owen Limited

Highdown House  
11 Highdown Road  
Leamington Spa  
CV31 1XT

6 December 2016



## **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 22 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 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 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 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

6 December 2016

# Campion Academy Trust

## Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	96,779	14,727	111,506	102,053
Charitable activities:						
Funding for the academy trust's educational operations	3	-	3,810,741	-	3,810,741	3,853,715
Other trading activities	4	16,016	17,951	2,335	36,302	28,503
Investments	5	761	-	-	761	712
<b>Total</b>		<b>16,777</b>	<b>3,925,471</b>	<b>17,062</b>	<b>3,959,310</b>	<b>3,984,983</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	7	1,693	4,058,299	155,752	4,215,744	4,240,048
<b>Total</b>		<b>1,693</b>	<b>4,058,299</b>	<b>155,752</b>	<b>4,215,744</b>	<b>4,240,048</b>
<b>Net income/(expenditure)</b>		<b>15,084</b>	<b>(132,828)</b>	<b>(138,690)</b>	<b>(256,434)</b>	<b>(255,065)</b>
<b>Transfers between funds</b>	14	-	(6,004)	6,004	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/ gains on defined benefit pension schemes	21	-	(776,000)	-	(776,000)	41,000
<b>Net movement in funds</b>		<b>15,084</b>	<b>(914,832)</b>	<b>(132,686)</b>	<b>(1,032,434)</b>	<b>(214,065)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2015		254,608	(1,067,731)	6,213,377	5,400,254	5,614,319
<b>Total funds carried forward at 31 August 2016</b>		<b>269,692</b>	<b>(1,982,563)</b>	<b>6,080,691</b>	<b>4,367,820</b>	<b>5,400,254</b>

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 2016

		2016		2015	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		6,065,964		6,198,875
<b>Current assets</b>					
Debtors	12	82,969		128,100	
Cash at bank and in hand		480,773		503,699	
		<u>563,742</u>		<u>631,799</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	(66,886)		(109,420)	
<b>Net current assets</b>			<u>496,856</u>		<u>522,379</u>
Total assets less current liabilities			6,562,820		6,721,254
<b>Net assets excluding pension liability</b>			<u>6,562,820</u>		<u>6,721,254</u>
Defined benefit pension scheme liability	21		(2,195,000)		(1,321,000)
<b>Net assets including pension liability</b>			<u>4,367,820</u>		<u>5,400,254</u>
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>					
Fixed asset fund	14		6,080,691		6,213,377
Restricted income fund	14		212,437		253,269
Pension reserve	14		(2,195,000)		(1,321,000)
<b>Total restricted funds</b>			<u>4,098,128</u>		<u>5,145,646</u>
<b>Unrestricted income funds</b>	14		<u>269,692</u>		<u>254,608</u>
<b>Total funds</b>			<u>4,367,820</u>		<u>5,400,254</u>

The financial statements on page 24 to 45 were approved by the Governors and authorised for issue on 6 December 2016 and are signed on their behalf by:

Signed

R Crowther  
Chair

The notes on pages 27 to 45 form an integral part of these financial statements

**Campion Academy Trust**

**Statement of cash flows for the year ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/ provided by operating activities	17	(17,908)	40,169
<b>Cash flows from investing activities</b>	18	(5,018)	(8,896)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(22,926)</u>	<u>31,273</u>
<b>Cash and cash equivalents at 1 September 2015</b>		503,699	472,426
<b>Cash and cash equivalents at 31 August 2016</b>	19	<u>480,773</u>	<u>503,699</u>



## **Campion Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2016**

#### **1. Statement of Accounting Policies**

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

##### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

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

##### **First time adoption of FRS 102**

These financial statements are the first financial statements of Campion Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Campion Academy Trust Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

##### **Going Concern**

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

##### **Income**

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

- **Grants**

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

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

## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 1. Statement of Accounting Policies (continued)

Capital grants are recognised when there is entitlement 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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

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

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

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

- School buildings – recognised at depreciated replacement cost
- Furniture, equipment and computer equipment – at existing use value

#### **Expenditure**

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



## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 1. Statement of Accounting Policies (continued)

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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%

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.

#### **Liabilities**

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

#### **Provisions**

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

## **Campion Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2016**

.....continued

#### **1. Statement of Accounting Policies (continued)**

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

#### **Leased Assets**

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

#### **Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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



## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 1. Statement of Accounting Policies (continued)

##### Fund Accounting

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

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

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

##### Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

##### Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and capital grants	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Capital grants	-	14,727	14,727	14,502
Other donations	-	96,779	96,779	87,551
	-	111,506	111,506	102,053

The income from donations and capital grants was £111,506 (2015: £102,053) of which £96,779 (2015: £87,551) was restricted and £14,727 (2015: £14,502) was restricted fixed assets.

# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

<b>3. Funding for Academy trust's educational operations</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	3,431,628	<b>3,431,628</b>	3,446,173
Other DfE/EFA grants	-	188,893	<b>188,893</b>	198,695
	-	3,620,521	<b>3,620,521</b>	3,644,868
<b>Other Government grants</b>				
Local Authority grants	-	128,374	<b>128,374</b>	110,691
Special educational projects	-	61,846	<b>61,846</b>	98,156
	-	190,220	<b>190,220</b>	208,847
	-	3,810,741	<b>3,810,741</b>	3,853,715
<b>4. Other trading activities</b>	<b>Unrestrict ed Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Hire of facilities	16,016	-	<b>16,016</b>	16,046
Other income	-	20,286	<b>20,286</b>	12,457
	16,016	20,286	<b>36,302</b>	28,503

The income from other trading activities was £36,302 (2015: £28,503) of which £16,016 was unrestricted (2015: £16,209) and £20,286 was restricted (2015: £12,457)

<b>5. Investment Income</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Short term deposits	761	-	<b>761</b>	712
	761	-	<b>761</b>	712

# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

### 6. Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	2,589,949	112,083	508,978	3,211,010	3,209,522
- Allocated support costs	658,212	124,116	222,406	1,004,734	1,030,526
	<u>3,248,161</u>	<u>236,199</u>	<u>731,384</u>	<u>4,215,744</u>	<u>4,240,048</u>

### Net (income)/expenditure for the year includes:

	2016 £	2015 £
Operating leases:		
- equipment	14,008	12,208
Depreciation	155,752	162,727
Gain on disposal of fixed assets	2,335	-
Fees payable to auditor for:		
- audit	4,500	4,500
- other services	2,500	2,500

### 7. Charitable Activities

	Total 2016 £	Total 2015 £
Direct costs – educational operations	3,211,010	3,209,522
Support costs – educational operations	<u>1,004,734</u>	<u>1,030,526</u>
	<u>4,215,744</u>	<u>4,240,048</u>

### Analysis of support costs

	Boarding £	Educational operations £	Total 2016 £	Total 2015 £
Support staff costs	-	657,659	657,659	640,777
Technology costs	-	8,230	8,230	16,594
Premises costs	-	124,116	124,116	127,089
Other support costs	-	197,458	197,458	215,558
Governance costs	-	17,271	17,271	30,508
<b>Total support costs</b>	<u>-</u>	<u>1,004,734</u>	<u>1,004,734</u>	<u>1,030,526</u>

# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

<b>8. Staff</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	2,510,201	2,574,318
Social security costs	193,529	182,790
Operating cost of defined benefit pension schemes	514,045	471,403
	<u>3,217,775</u>	<u>3,228,511</u>
Supply staff costs	22,786	26,068
Staff restructuring costs	7,600	3,368
	<u>3,248,161</u>	<u>3,257,947</u>
Staff restructuring costs comprise:		
Severance payments	7,600	3,368
	<u>7,600</u>	<u>3,368</u>

### b. Staff numbers

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

	<b>2016 No.</b>	<b>2015 No.</b>
Teachers	49	48
Administration and support	53	52
Management	7	7
	<u>109</u>	<u>107</u>

### c. Higher paid staff

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

	<b>2016 No.</b>	<b>2015 No.</b>
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1

### d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £470,266 (2015: £550,729).



## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 9. Related Party Transactions - Governors' remuneration and expenses

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

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

M Feldman (former principal and governor):

Remuneration £Nil (2015: £80,000 - £85,000)

Employer's pension contributions £Nil (2015: £10,000 - £15,000)

J Panesar (principal and governor):

Remuneration £65,000 - £70,000 (2015: £10,000 - £15,000)

Employer's pension contributions £10,000 - £15,000 (2015: £0 - £5,000)

T Preston (staff governor):

Remuneration £30,000 - £35,000 (2015: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2015: £0 - £5,000)

T Collins (staff governor):

Remuneration £10,000 - £15,000 (2015: £Nil)

Employer's pension contributions £0 - £5,000 (2015: £Nil)

P Gilbride (staff governor):

Remuneration £Nil (2015: £35,000 - £40,000)

Employer's pension contributions £Nil (2015: £5,000 - £10,000)

A Clifton (staff governor):

Remuneration £Nil (2015: £20,000 - £25,000)

Employer's pension contributions £Nil (2015: £0 - £5,000)

A Leon (parent governor):

Remuneration £10,000 - £15,000 (2015: Nil)

Employer's pension contributions £0 - £5,000 (2015: £Nil)

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

#### 10. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 could not be separately identified (2015: £235).

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

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

**Campion Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2016**

.....continued

**11. Tangible Fixed Assets**

	<b>Leasehold Land and Buildings £</b>	<b>Furniture and Equipment £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 September 2015	6,537,906	129,982	123,228	<b>6,791,116</b>
Additions	-	1,980	20,861	<b>22,841</b>
Disposals	-	(5,950)	-	<b>(5,950)</b>
At 31 August 2016	<u>6,537,906</u>	<u>126,012</u>	<u>144,089</u>	<u><b>6,808,007</b></u>
<b>Depreciation</b>				
At 1 September 2015	410,970	83,757	97,514	<b>592,241</b>
Charged in period	112,083	24,972	18,697	<b>155,752</b>
Disposals	-	(5,950)	-	<b>(5,950)</b>
At 31 August 2016	<u>523,053</u>	<u>102,779</u>	<u>116,211</u>	<u><b>742,043</b></u>
<b>Net book values</b>				
At 31 August 2016	<u><b>6,014,853</b></u>	<u><b>23,233</b></u>	<u><b>27,878</b></u>	<u><b>6,065,964</b></u>
At 31 August 2015	<u>6,126,936</u>	<u>46,225</u>	<u>25,714</u>	<u>6,198,875</u>

# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

<b>12. Debtors</b>	<b>2016</b> £	<b>2015</b> £
Trade debtors	1,585	3,871
VAT recoverable	10,902	22,701
Prepayments and accrued income	70,482	101,528
	<u>82,969</u>	<u>128,100</u>
<b>13. Creditors: amounts falling due within one year</b>	<b>2016</b> £	<b>2015</b> £
Trade creditors	20,966	37,893
Other creditors	2,525	-
Accruals and deferred income	43,395	71,527
	<u>66,886</u>	<u>109,420</u>
<b>Deferred income</b>	<b>2015</b> £	
Deferred income at 1 September 2015	44,973	
Resources deferred in the period	-	
Amounts released from previous periods	(44,973)	
Deferred income at 31 August 2016	<u>-</u>	

Deferred income includes grant income of £Nil and other income of £Nil that the Academy has received or invoiced in advance of entitlement of receipt.



# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

### 14. Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	190,649	3,431,628	(3,490,584)	(6,004)	125,689
Pupil premium	-	188,893	(188,893)	-	-
Pension reserve	(1,321,000)	-	(98,000)	(776,000)	(2,195,000)
Other grants	62,620	304,950	(280,822)	-	86,748
	<u>(1,067,731)</u>	<u>3,925,471</u>	<u>(4,058,299)</u>	<u>(782,004)</u>	<u>(1,982,563)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	14,502	14,727	-	(14,502)	14,727
Capital expenditure from GAG	57,411	-	(32,196)	20,506	45,721
Assets transferred from predecessor school	6,141,464	2,335	(123,556)	-	6,020,243
	<u>6,213,377</u>	<u>17,062</u>	<u>(155,752)</u>	<u>6,004</u>	<u>6,080,691</u>
<b>Total restricted funds</b>	<u>5,145,646</u>	<u>3,942,533</u>	<u>(4,214,051)</u>	<u>(776,000)</u>	<u>4,098,128</u>
<b>Unrestricted funds</b>					
Unrestricted funds	254,608	16,777	(1,693)	-	269,692
<b>Total unrestricted funds</b>	<u>254,608</u>	<u>16,777</u>	<u>(1,693)</u>	<u>-</u>	<u>269,692</u>
<b>Total funds</b>	<u>5,400,254</u>	<u>3,959,310</u>	<u>(4,215,744)</u>	<u>(776,000)</u>	<u>4,367,820</u>

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 2016.

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

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

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

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

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

# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

### 15. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	6,065,964	6,065,964
Current assets	269,692	279,323	14,727	563,742
Current liabilities	-	(66,886)	-	(66,886)
Pension scheme liability	-	(2,195,000)	-	(2,195,000)
<b>Total net assets</b>	<b>269,692</b>	<b>(1,982,563)</b>	<b>6,080,691</b>	<b>4,367,820</b>

### 16. Commitments under operating leases

#### Operating leases

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	10,906	14,008
Amounts due between one and five years	17,596	28,502
	<u>28,502</u>	<u>42,510</u>

### 17. Reconciliation of net expenditure to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the reporting period (as per the statement of financial activities)	(256,434)	(255,065)
Adjusted for:		
Depreciation (note 11)	155,752	162,727
Gain on disposal of fixed assets	(2,335)	-
Capital grants from DfE and other capital income	(14,727)	(14,502)
Interest receivable (note 5)	(761)	(712)
Defined benefit pension scheme cost less contributions payable (note 21)	47,000	51,000
Defined benefit pension scheme finance cost (note 21)	51,000	48,000
Decrease in debtors	45,131	4,765
(Decrease)/ Increase in creditors	(42,534)	43,956
<b>Net cash (used in)/ provided by operating activities</b>	<b>(17,908)</b>	<b>40,169</b>

## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

<b>18. Cash flows from investing activities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rent from investments	761	712
Proceeds from sale of tangible fixed assets	2,335	-
Purchase of tangible fixed assets	(22,841)	(24,110)
Capital grants from DfE/EFA	14,727	14,502
<b>Net cash used in investing activities</b>	<b>(5,018)</b>	<b>(8,896)</b>

<b>19. Analysis of cash and cash equivalents</b>	<b>At 31</b>	<b>At 31</b>
	<b>August</b>	<b>August</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	480,773	503,699
<b>Total cash and cash equivalents</b>	<b>480,773</b>	<b>503,699</b>

## **20. Members' Liability**

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

## **21. Pension and similar obligations**

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 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 in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.



## **Campion Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2016**

.....continued

#### **21. 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.

#### **Valuation of the Teachers' Pensions Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £270,942 (2015: £240,658).

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

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

## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 21. Pension and similar obligations

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £184,882 (2015: £168,258) of which employer's contributions totalled £145,103 and employees' contributions totalled £39,779. The agreed contribution rates for future years are 20.8% for employers and 5.5% to 6.8% 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 2014 the academy entered into an agreement with the trustees of the scheme to make further deficit contributions in addition to normal funding levels, The rate relating to the deficit repayment is 5.7% based on a recovery period of 19 years.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.60%
Rate of increase for pensions in payment/inflation	2.10%	2.70%
Discount rate for scheme liabilities	2.10%	3.80%
Commutation of pension to lump sums	50%	50%

##### Sensitivity analysis

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

Change in assumptions at 31 August 2016:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in real discount rate	14%	529,000
1 year increase in member life expectancy	3%	115,000
0.5% increase in the salary increase rate	5%	204,000
0.5% increase in pension increase rate	8%	305,000

For the 2016 year end accounts the actuary used different assumptions to the 2015 year end, as disclosed in above, the application of which resulted in a loss of £776,000 recognised for the current 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 102, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that an equivalent amount is already committed and is no longer available to the governors to further the charity's objectives.

# Campion Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

### 21. Pension and similar obligations

#### Local Government Pension Scheme (continued)

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.3	24.3
Females	26.6	26.6

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,064,000	778,000
Bonds	377,000	280,000
Property	180,000	146,000
Cash	16,000	12,000
<b>Total market value of assets</b>	<b>1,637,000</b>	<b>1,216,000</b>

#### Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	194,000	180,000
Net interest cost	51,000	48,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	2,000
<b>Total operating charge</b>	<b>245,000</b>	<b>230,000</b>

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

	2016 £	2015 £
<b>At 1 September</b>	<b>2,537,000</b>	<b>2,275,000</b>
Current service cost	194,000	180,000
Interest cost	101,000	88,000
Employee contributions	39,000	36,000
Actuarial loss/ (gain)	971,000	(37,000)
Benefits paid	(10,000)	(7,000)
Plan introductions, benefit changes, curtailments and settlements	-	2,000
<b>At 31 August</b>	<b>3,832,000</b>	<b>2,537,000</b>



## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 21. Pension and similar obligations

##### Local Government Pension Scheme (continued)

Changes in the fair value of the academy's share of scheme assets:	2016	2015
	£	£
<b>At 1 September</b>	<b>1,216,000</b>	1,012,000
Interest income	50,000	40,000
Return on plan assets (excluding net interest on the net defined pension liability)	195,000	4,000
Employer contributions	147,000	131,000
Employee contributions	39,000	36,000
Benefits paid	(10,000)	(7,000)
<b>At 31 August</b>	<b><u>1,637,000</u></b>	<b><u>1,216,000</u></b>

#### 22. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which 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. No related party transactions took place in the period of account other than certain governors' remuneration already disclosed in note 9.

The following transactions took place in the previous financial year:

M Feldman, son of the former 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 £Nil (2015: £915).

R Feldman, spouse of the former 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 £Nil (2015: £4,932)

Both appointments were made in accordance with the EFA's Financial Handbook and the academy's internal procedures.

#### 23. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £15,766 and disbursed £13,241 from the fund. An amount of £2,525 is included in other creditors relating to undistributed funds that is repayable to EFA.

## Campion Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2016

.....continued

#### 24. Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net expenditure	Note	31 August 2015 £
Net expenditure previously reported under UK GAAP		(235,065)
Change in recognition of LGPS interest cost	A	(20,000)
Net expenditure reported under FRS 102		<u>(255,065)</u>

#### A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenditure by £20,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.