

Charville /  
ESFA  
copy

Company Registration No. 08451827 (England and Wales)

**CHARVILLE ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

# CHARVILLE ACADEMY

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# CHARVILLE ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Directors</b>	Mr D Coleshill (Chair) Mr M Charlton Mrs N Kelly (Accounting Officer and Headteacher) Ms S Gota (Resigned 1 September 2017) Mrs B Deane Mrs S Rendell Miss P McGee (Resigned 31 July 2018) Miss L Innes (Resigned 13 September 2017) Miss L Crouch Mr A S Fazel Mrs L Newbey (Appointed 13 September 2017) Mr S A H Hassan (Appointed 19 October 2017) Ms H Skinner (Appointed 19 October 2017 and resigned 1 October 2018)
<b>Members</b>	Mr D Coleshill Mrs B Deane Ms S Gota (Resigned 1 September 2017) Miss P McGee (Resigned 31 July 2018) Miss L Crouch Mr A S Fazel
<b>Senior leadership team</b>	Mrs N Kelly - Headteacher Mrs R Madar - Deputy Headteacher
<b>Company secretary</b>	Mrs C Kellow McGee
<b>Company registration number</b>	08451827 (England and Wales)
<b>Principal office</b>	Charville Academy Bury Avenue Hayes Middlesex UB4 8LF
<b>Registered office</b>	c/o Wilkins Kennedy Anglo House Bell Lane Office Village Bell Lane Amersham Buckinghamshire HP6 6FA

# CHARVILLE ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Wilkins Kennedy Audit Services Anglo House Bell Lane Office Village Bell Lane Amersham Buckinghamshire HP6 6FA
<b>Bankers</b>	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Geldards Law Firm Enterprise House 1-2 Hatfields London SE1 9PG

# CHARVILLE ACADEMY

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Directors present their Annual Report together with the Financial Statements and Independent Auditor's Report of the charitable company (referred to thereon as "Charville Academy") for the period 1 September 2017 to 31 August 2018. The Annual Report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charity Commission's document '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) (effective 1 January 2015)' and the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

The Academy operates an academy for pupils aged 3 to 11 serving a catchment area in Hayes, Middlesex. As at 31 August 2018, total pupils numbered 592 and the Academy has spaces in all year groups.

#### **Structure, governance and management**

##### Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The trustees of Charville Academy are also the Governors and the Directors of the charitable company for the purposes of company law.

The charitable company operates as Charville Academy.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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.

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### Method of recruitment and appointment or election of Directors

Governors are unpaid volunteers and are appointed for 4 years. Parent governors are appointed by parents by a vote; staff governors by a process as the members may determine; community and partnership governors by the Governing Board. Parent governors can complete their term even if their child leaves the school. The rules for membership of the Governing Board are determined by the Memorandum and Articles of Association, the founding documents of Charville Academy. The balance and number of staff, community and parent governors is approved by the Secretary of State for Education.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments, such as Headteacher, Deputy Headteacher and other such senior posts.

The governing board comprises the following governors:

- a. Two Community Governors
- b. The Principal (Headteacher)
- c. Four Parent Governors
- d. Two Partnership Governors
- e. One Teaching Staff Governor
- f. One Non-Teaching Staff Governor

### Policies and procedures adopted for the induction and training of Directors

The training and induction provided for new and existing Governors will depend on their existing experience. Where necessary induction will include training on educational, legal and financial matters. All new Governors will be given the opportunity of a tour of the academy, have the chance to meet with staff and pupils and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors. As there is expected to be only a small number of new Governors each year, induction will be carried out informally and will be tailored specifically to the individual. Training provided by the Governor's Support Services can also be accessed as required by any governor subject to the contract with the school and the service provider.

The Chair of Governors will oversee the training of all Governors and will provide a training schedule and agree Link Governors for individual academy faculties.

### Principal Activities

The principal activity of Charville Academy is to provide education for boys and girls of all abilities between the ages of 3 and 11. Funding is obtained from the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Organisational structure

The Governing Board, the majority membership of which is non-executive, comprises those persons appointed under the Articles of Association. The board meets at least six times per year and has three committees including:

- Full Governing Board
- Resources and Finance Committee
- Curriculum and Achievement Committee

All these committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its committees, the activities of which are reported to, and discussed at, Full Governing Board meetings. The day-to-day running of the Academy is undertaken by the Headteacher, supported by the Senior Leadership Team.

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

The Academy abides by Teachers' Pay and Conditions and Performance Management is used to evaluate and assess teacher performance against targets set. All senior leaders (who carry out Performance Management) recommend to the Headteacher regarding pay increases and these are then discussed at the annual meeting of the Pay Committee.

We have a robust pay policy that we review and follow.

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

#### *Percentage of time spent on facility time*

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

#### *Paid trade union activities*

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

-

### Related parties and other connected charities and organisations

The following related party transactions took place in the financial period:

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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Expenditure related party transactions:

During the year, the Academy purchased outsourced services from The Schools HR Co-Operative Limited, a company of which Mr M Charlton, who is a member of the Governing Board, a Director and a former Member of the Academy, is both a director and the controlling shareholder. The total of the outsourced services purchased was £16,680 (2017: £24,299). The element above £2,500 has not been provided "at no more than cost".

The Academy initially made the purchase of these separate services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into these transactions the Academy did not comply with the requirements of the ESFA's Academies Financial Handbook 2017, as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a Director and former Member of the Academy.

The contracts for the supply of these services were initially inherited by the Academy on its conversion to academy status and were subsequently renewed for a period of 2 years in March 2014 and again in March 2016 for 2 years. The Governors made the decision on 21 June 2017 that the limit of £7,500 be increased to £10,000 for individual contracts before the Academy needed to go out to tender. As a result of this decision, the Academy did not need to re-tender for these services, so the Academy will now renew annually. The Academy submitted a form explaining the role of Mr Charlton to the ESFA in February 2015 and again in 2017.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.

### **The Register of Interests**

It is important that all staff and Governors, whether they have significant financial or spending powers on behalf of the Academy, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. All staff and Governors will need to declare any financial interests they have in companies/individuals from whom the Academy may purchase goods or services.

The disclosures should also include business interests of relatives or business partners, where influence could be exerted over a Governor or a member of staff by that person. This does not detract from the duties of Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Board or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### **Objectives and activities**

#### Objects and aims

The principal objective of the company is to advance, for the public benefit, education in the United Kingdom. It achieves this objective through the operation of Charville Academy, providing education, free of charge, to children aged 3 – 11 years serving a catchment area in Hayes, Middlesex.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The scheme of government specifies, among other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn and that the curriculum should comply with the substance of the National Curriculum.

#### **The aims of the Academy rest on the following principles:**

- Equal opportunities for every child to develop their full potential enabling them to leave the Academy well prepared for the next stage of their educational, social and spiritual development
- A curriculum which is broad and well balanced, responsive to the needs of the individual child and relevant to the wider world
- Resources that match the needs of the children and the school as fully as possible
- Communications with parents which are open, effective and timely
- A belief that all pupils have various talents that need encouragement to develop
- The recognition that school should be a preparation for life in the fullest possible sense and that pupils do need a sound basis of knowledge, skill, competence and experience to equip them to cope with the many roles they will have to take on during their lives
- The need for a working environment which secures effective teaching and learning, and values achievement by all pupils in their social, moral, spiritual, cultural, mental and physical development.

#### Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2018 are summarised below:

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, teaching and pastoral care;
- To raise the standard of educational attainment for all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### **Strategies and Activities**

The Academy commenced its charitable activities on 1 May 2013.

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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Charville Academy therefore aims to encourage pupils to:

- Develop lively, enquiring minds capable of original thought and well-balanced critical argument.
- Become confident, independent learners, well-equipped for lifelong learning.
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity.
- Embrace the many opportunities afforded by developments in information and communication technologies, whilst fully accepting the responsibilities that go with using them properly.
- Engage in a broad programme of experiences which enable them to appreciate their cultural inheritance and to understand more about themselves and the world in which they live.
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self-respect and sensitivity to the needs of others, particularly those less advantaged than themselves.
- Show respect for each other and all people working in the academy, and to appreciate the diverse talents that contribute to our academy community.
- Play a full part in creating a caring, supportive academy environment.
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens.
- Display self-discipline and proper regard for authority.
- Foster good behaviour and avoid all forms of bullying.

### Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The school uses the Local Authority coordinated admission services. This ensures that pupils are allocated a place at a school in a fair and consistent manner. The Headteacher and other senior staff show potential parents around the school. The school currently has some spaces in all year groups and can take up to 90 children in all year groups except Year 6 where we can accommodate 120 pupils.

### **Strategic report**

#### **Achievements and performance**

The school has completed its fifth period of operation as an academy and continues to achieve the forecast number of pupils. Total pupils in the period ended 31 August 2018 numbered 592 and the academy has spaces in all year groups.

In April 2017, Ofsted carried out a full section 5 inspection and the academy moved from the category of Requires Improvement to the category of Good. Only two development points were highlighted and these were the progress of the more able in Mathematics and attendance.

#### Key performance indicators

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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The Early Years Foundation Stage data is as follows:

<u>Area</u>	<u>Charville</u>	<u>National</u>
Good level of development	69.5	71

The Year 1 Phonics Screening results were as follows:

<u>Subject</u>	<u>Charville</u>	<u>National</u>
Phonics	89	83

The SATS results for 2018 at the end of KS1 were as follows:

(% of pupils at expected standard compared to National)

<u>Subject</u>	<u>Charville</u>	<u>National (2017)</u>
Reading	76	74
Writing	68	66
Mathematics	78	73

The SATS results for 2018 at the end of KS2 were as follows:

(% of pupils at expected standard compared to National)

<u>Subject</u>	<u>Charville</u>	<u>National</u>
Reading	75	71
Writing	80	76
EGPS	87	77
Mathematics	85	75

### Going concern

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

### **Financial review**

Most of the Academy's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes related to education. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Capital Grants were awarded to the Academy by the DfE to provide fixed assets totalling £11k (2017: £11k) for the Academy. In accordance with the Charities Statement of Recommended Practice (SORP) 2015, the DFC (Devolved Formula Capital) Grant received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 1 May 2013, all of the fixed assets of the former school were transferred to the new Academy, and are shown as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

Expenditure for the year covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The combined General Restricted Fund, Restricted Fixed Asset Fund and Unrestricted Fund show an operating deficit, before the actuarial gain on defined-benefit pension schemes, of £(226k) (2017: deficit £(199k)).

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Reserves policy

The Governors, via the work of their Resources and Finance Committee, regularly monitor on-going and projected levels of reserves, to ensure that they are adequate for the continued efficient operation of the Academy. This monitoring process takes into account shifts in local and national funding policies and developments as well as material expenditure requirements.

The Governors have determined that the appropriate level of free reserves (comprising unrestricted reserves £325k (2017: £359k) and restricted general reserves £nil (2017: £nil)) should be the value of approximately one month's academy expenditure, £287k (2017: £294k). The level of free reserves held at 31 August 2018 totalled £325k (2017: £359k).

The free reserve figure is currently £325k (2017: £359k) the value of approximately 1.1 (2017: 1.2) month's academy expenditure. It is higher than the levels that Governors expect to see of £287k (2017: £294k). The agreed expectation was one month's expenditure. Additional expenditure has been identified for 2018-2019 to bring this in line to the end of the next accounting period.

The level of Unrestricted reserves held at 31 August 2018 totalled £325k (2017: £359k).

The level of Restricted general reserves held at 31 August 2018 totalled £nil (2017: £nil).

The level of Restricted fixed asset reserves held at 31 August 2018 totalled £5,767k (2017: £5,850k).

Restricted general reserves as at 31 August 2018 were in deficit by £(1,160k) (2017: £(1,455k)), although once the effect of the deficit on the defined-benefit pension fund had been taken into account Restricted general reserves were in surplus by £nil (2017: £nil).

The defined-benefit pension fund deficit as at 31 August 2018 was £(1,160k) (2017: £(1,455k)).

#### Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

#### Principal risks and uncertainties

Governors keep reserves under constant review to ensure that they have sufficient income to run the academy on an efficient basis without affecting the quality of teaching and learning.

As a recently converted academy, since 1 May 2013, there has been a comprehensive assessment of possible risks to the future of the Academy (Risk Register).

The Governors (Trustees) have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The chief risks identified include:

- Variations year-on-year in the numbers of pupils joining the academy in the Early Years and Reception, with a concomitant effect upon funding levels.
- Deficit in the Local Authority Pension Scheme, possible increase in employer's contribution rates.

The Governors (Trustees) have assessed the major risks to which the Academy is exposed, with guidance from the Academies Financial Handbook the Governing Board regularly review risk registers specifically for:

1. Financial Risk
2. Compliance Risk
3. Operational Risk
4. Strategic Risk

# CHARVILLE ACADEMY

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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More specific risks that have been identified by the Governors are those relating to pupil safeguarding, finance process and controls, teaching and learning environments and health and safety (on and off site). The Academy has introduced various systems with regards to the Finance Department and all duties are segregated to minimise the risk of fraud. In addition, policies and procedures have been developed to mitigate these risks. Where significant financial risk still remains, the Academy has ensured that it has adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the statement of internal financial control.

### Fundraising

All fundraising for Charville Academy is done through the Charville PTA (Parent Teacher Association), a separately registered charity; charity number 1125902.

### Plans for future periods

Charville Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to secondary education.

### Funds held as custodian trustee on behalf of others

During the year to 31 August 2018, Charville Academy did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

### Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Directors have taken all the 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.

A resolution proposing that Wilkins Kennedy Audit Services be reappointed as auditor of the charitable company will be put to the members.

Directors' Report, incorporating a Strategic Report, was approved by order of the Governing Board (Trustees), as the company directors, on *12th October* 2018 and signed on the board's behalf by:

  
.....  
Mr D Coleshill  
Chair

  
.....  
Mrs N Kelly  
Accounting Officer and Headteacher

# CHARVILLE ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

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

The Governing Board has delegated the day-to-day responsibility to Mrs N Kelly, 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 Charville Academy and the Secretary of State for Education. She is also responsible for reporting to the Governing Board any material weaknesses or breakdowns in internal control.

### Governance

The information on governance here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Governing Board has formally met seven times during the period from 1 September 2017 to 31 August 2018.

Directors	Meetings attended	Out of possible
Mr D Coleshill (Chair)	7	7
Mr M Charlton	6	7
Mrs N Kelly (Accounting Officer and Headteacher)	7	7
Ms S Gota (Resigned 1 September 2017)	0	0
Mrs B Deane	7	7
Mrs S Rendell	4	5
Miss P McGee (Resigned 31 July 2018)	5	7
Miss L Innes (Resigned 13 September 2017)	0	0
Miss L Crouch	7	7
Mr A S Fazel	7	7
Mrs L Newbey (Appointed 13 September 2017)	6	7
Mr S A H Hassan (Appointed 19 October 2017)	4	5
Ms H Skinner (Appointed 19 October 2017 and resigned 1 October 2018)	4	5

The Resources and Finance Committee is a sub-committee of the main Board of Directors.

Its purpose is to advise and support the Governing Board on finance.

# CHARVILLE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mr D Coleshill (Chair)	3	3
Mr M Charlton	2	3
Mrs N Kelly (Accounting Officer and Headteacher)	2	3
Mrs B Deane	2	3
Mrs S Rendell	2	2
Miss P McGee (Resigned 31 July 2018)	3	3
Miss L Innes (Resigned 13 September 2017)	0	0
Miss L Crouch	3	3
Mr A S Fazel	3	3
Mrs L Newbey (Appointed 13 September 2017)	3	3
Mr S A H Hassan (Appointed 19 October 2017)	1	3
Ms H Skinner (Appointed 19 October 2017 and resigned 1 October 2018)	2	3

#### Review of value for money

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

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

#### Improving Educational Results

- Numbers count funded (PP). Delivered by accredited numbers count teachers, specifically employed to raise standards for low achievers in mathematics in KS1. All children in receipt of this intervention are tracked to achieve based on end of year expectations or higher based on low starting points. As these pupils progress into KS2 exit tests are carried out to track further progress.
- Mathematics Mastery is a proven program for raising standards in Years 1 - 6. This has been introduced to raise standards across the academy and lead staff have been trained, reviewed and observed in line with the external validation of the program.
- Mathletics is an online tool based on individual tutorials to raise standards in mathematics by identifying gaps in learning. Once the gaps have been identified online sessions are delivered to ensure that these areas are developed.
- Charville is now a gold kite school for sport and this has been achieved by developing our commitment to fitness and this will be reviewed in 2022.
- Charville is now an Art Mark school and champions the arts through performance, dance, drama and music.
- Reading Recovery. Delivered by accredited Reading Recovery Teachers, specifically employed to raise standards for low achievers in reading in KS1. All children in receipt of this intervention are tracked to achieve based on end of year expectations or higher based on low starting points. As these pupils progress into KS2 exit tests are carried out to track further progress.
- Speech and Language sessions, which are delivered by an external speech therapist, have been purchased to ensure that all identified children receive support in order to raise their communication levels and therefore impact on their attainment.

# CHARVILLE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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- SEND – Governors have agreed to open a centre focused on developing the readiness to learn of identified pupils. This unit is led by a teacher who specialises in children with identified needs such as autism. Pupils visit 5 times per week for 3-hour sessions and carry out a range of academic and social tasks in addition to their regular curriculum.
- Assistant Headteachers deployed to teach target groups.
- Continuous Professional Development to facilitate up-to-date best practices and teaching. This is led by a Training and Development Co-ordinator who plans whole school and bespoke CPD based on performance management.
- All pupil data is tracked at least 3 times per year, in line with the assessment cycle. Pupils in receipt of interventions, disadvantaged, SEND and persistent absent pupils are tracked separately and those with identified individual needs are also tracked separately. All information is transparent and is disseminated to all stakeholders involved in learning and teaching, including the Governing Board.
- In order to ensure that pupils are secondary ready and achieve in line with National or above at the end of Key Stage 2, funding is used to support progress in the form of additional lessons, target small group teaching and purchase of high quality resources to support those who are under achieving.

#### Financial Performance

- Financial Governance is good and continuously improving. The chair of the committee has a long standing financial background within the banking sector and this allows others to develop their understanding.
- Resources and Finance Committee regularly reports back to the Full Governing Board on financial matters and keeps all Governors aware of any significant changes.
- Monitoring reports are reviewed weekly with the Headteacher and School Business Manager.
- Monthly budget monitoring reports are issued to the Chair of Resources and Finance Committee. Half-termly budget monitoring reports are reviewed by the Resources and Finance Committee.
- Annual internal audit assessment and report provided to the Governors for continual monitoring and improvement.

#### Purchasing

- Online purchasing methods are used to allow for best value.
- The agreed Finance Policy, which has clear processes for purchasing and tendering procedures, has been followed.
- Rates agreed with suppliers using market testing methods.
- Comparing prices for learning resources.
- Obtaining quotes for major projects.
- Selecting best value for money for redecoration and refurbishment.
- Sourcing alternative supplier for school uniform.
- Liaising with other academies and schools for recommendation.
- Regularly checking catering supplies to make sure best prices are achieved.

#### Staffing

- The staffing structure is reviewed annually by Governors and the senior leadership team to ensure staff are deployed in areas to support the raising of achievement. This is fluid within an academic year in order to ensure that staffing meets the needs of the children.
- The senior leadership team and middle leaders carry out regular observations and performance management to ensure quality of teaching and learning.

# CHARVILLE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### Pupil Welfare

- Governors and the senior leadership team review the quality of the premises regularly.
- The school designates are continuously being trained to the required standard.
- The Headteacher ensures a safe and child friendly working environment for pupils conducive to learning and attainment.

### Future Objectives

- Service contracts continue to be reviewed regularly and negotiated to achieve best value for money.
- Subject leaders continue to be responsible for their own subject areas and work in collaboration with the Finance team to achieve best value for money.
- Continue with regular and accurate budget report to Governors.
- Parent Pay now embedded and has proved more effective in collecting money and reducing outstanding payments.
- 3-year financial forecast has been produced and is amended in line with changing circumstances.
- To investigate the Academy's current pension contribution for support staff as it is deemed to be considerably higher in comparison to other academies.

### **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 Charville Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Charville Academy for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Board;
- regular reviews by the Resources and Finance 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 Academy's system of internal financial control was introduced following its conversion to academy status.

# CHARVILLE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Governing Board has considered the need for a specific internal audit function and has decided:

- to appoint Wilkins Kennedy's Internal Audit Department as internal auditor.

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

- testing of income systems
- testing of purchase systems including tendering and procurement
- testing of payroll systems including recruitment and pensions
- testing of fixed assets
- testing of control account/bank reconciliations
- testing of VAT procedures
- testing of governance and procedures
- testing of budget monitoring/management accounts

On an annual basis, the internal auditor reports to the Headteacher, who then presents the report to the Resources and Finance Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor delivered their schedule of works as planned and no material control issues were identified.

#### Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the School Business Manager within the Academy who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources and Finance Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Board (Trustees) on 12 DEC 2018 and signed on its behalf by:



Mr D Coleshill  
Chair



Mrs N Kelly  
Accounting Officer and Headteacher

# CHARVILLE ACADEMY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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As Accounting Officer of Charville Academy, I have considered my responsibility to notify the Academy board of directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies' Financial Handbook 2017.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of directors and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of directors and ESFA:

### **Financial issues**

Expenditure related party transactions:

During the year, the Academy purchased outsourced services from The Schools HR Co-Operative Limited, a company of which Mr M Charlton, who is a member of the Governing Board, a Director and a former Member of the Academy, is both a director and the controlling shareholder. The total of the outsourced services purchased was £16,680 (2017: £24,299). The element above £2,500 has not been provided "at no more than cost".

The Academy initially made the purchase of these separate services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into these transactions the Academy did not comply with the requirements of the ESFA's Academies Financial Handbook 2017, as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a Director and former Member of the Academy.

The contracts for the supply of these services were initially inherited by the Academy on its conversion to academy status and were subsequently renewed for a period of 2 years in March 2014 and again in March 2016 for 2 years. The Governors made the decision on 21 June 2017 that the limit of £7,500 be increased to £10,000 for individual contracts before the Academy needed to go out to tender. As a result of this decision, the Academy did not need to re-tender for these services, so the Academy will now renew annually. The Academy submitted a form explaining the role of Mr Charlton to the ESFA in February 2015 and again in 2017.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.



Mrs N Kelly  
Accounting Officer

# CHARVILLE ACADEMY

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors 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 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation, the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 Board (Trustees) .....12 DEC..... 2018 and signed on its behalf by:



Mr D Coleshill  
Chair



Mrs N Kelly  
Accounting Officer and Headteacher

# CHARVILLE ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARVILLE ACADEMY

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### Opinion

We have audited the financial statements of Charville Academy for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# CHARVILLE ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARVILLE ACADEMY (CONTINUED)

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, including the incorporated strategic report.

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

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

### Responsibilities of Directors

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

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

### Auditor's responsibilities for the audit of the accounts

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

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

# CHARVILLE ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARVILLE ACADEMY (CONTINUED)

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This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Cary LLB FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy Audit Services

Statutory Auditor

14/12/18

Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

# CHARVILLE ACADEMY

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

*FOR THE YEAR ENDED 31 AUGUST 2018*

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In accordance with the terms of our engagement letter dated 8 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Charville Academy during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Charville Academy's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Charville Academy's funding agreement with the Secretary of State for Education dated 9 August 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# CHARVILLE ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHARVILLE ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the Academy's charitable objects.
- Reviewed for potential related party transactions (connected parties) by reviewing the register of interests, and if any identified and transactions have occurred, the procurement policy has been agreed to ensure all transactions have followed the internal process.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the Academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the Academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (e.g. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the Academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

# CHARVILLE ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHARVILLE ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

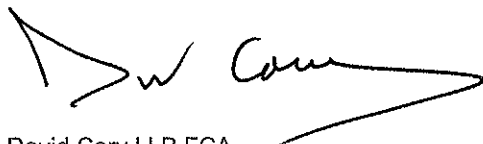
#### Expenditure related party transactions:

During the year, the Academy purchased outsourced services from The Schools HR Co-Operative Limited, a company of which Mr M Charlton, who is a member of the Governing Board, a Director and a former Member of the Academy, is both a director and the controlling shareholder. The total of the outsourced services purchased was £16,680 (2017: £24,299). The element above £2,500 has not been provided "at no more than cost".

The Academy initially made the purchase of these separate services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into these transactions the Academy did not comply with the requirements of the ESFA's Academies Financial Handbook 2017, as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a Director and former Member of the Academy.

The contracts for the supply of these services were initially inherited by the Academy on its conversion to academy status and were subsequently renewed for a period of 2 years in March 2014 and again in March 2016 for 2 years. The Governors made the decision on 21 June 2017 that the limit of £7,500 be increased to £10,000 for individual contracts before the Academy needed to go out to tender. As a result of this decision, the Academy did not need to re-tender for these services, so the Academy will now renew annually. The Academy submitted a form explaining the role of Mr Charlton to the ESFA in February 2015 and again in 2017.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.



David Cary LLB FCA

#### Reporting Accountant

Wilkins Kennedy Audit Services  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

Dated: .....

14/12/18

# CHARVILLE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000	Total 2017 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	8	28	11	47	44
Charitable activities:						
- Funding for educational operations	4	-	3,105	-	3,105	3,204
Other trading activities	5	27	43	-	70	83
<b>Total</b>		<u>35</u>	<u>3,176</u>	<u>11</u>	<u>3,222</u>	<u>3,331</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	-	3,269	179	3,448	3,530
<b>Total</b>	<b>6</b>	<u>-</u>	<u>3,269</u>	<u>179</u>	<u>3,448</u>	<u>3,530</u>
<b>Net income/(expenditure)</b>		35	(93)	(168)	(226)	(199)
Transfers between funds	16	(69)	(16)	85	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	404	-	404	(487)
<b>Net movement in funds</b>		<u>(34)</u>	<u>295</u>	<u>(83)</u>	<u>178</u>	<u>(686)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		359	(1,455)	5,850	4,754	5,440
Total funds carried forward		<u>325</u>	<u>(1,160)</u>	<u>5,767</u>	<u>4,932</u>	<u>4,754</u>

# CHARVILLE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£000	£000	£000	£000
<b>Income and endowments from:</b>					
Donations and capital grants	3	4	29	11	44
Charitable activities:					
- Funding for educational operations	4	-	3,204	-	3,204
Other trading activities	5	41	42	-	83
<b>Total</b>		<u>45</u>	<u>3,275</u>	<u>11</u>	<u>3,331</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	-	3,340	190	3,530
<b>Total</b>	6	<u>-</u>	<u>3,340</u>	<u>190</u>	<u>3,530</u>
<b>Net income/(expenditure)</b>		45	(65)	(179)	(199)
Transfers between funds	16	(15)	(78)	93	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	17	-	(487)	-	(487)
<b>Net movement in funds</b>		30	(630)	(86)	(686)
<b>Reconciliation of funds</b>					
Total funds brought forward		329	(825)	5,936	5,440
Total funds carried forward		<u>359</u>	<u>(1,455)</u>	<u>5,850</u>	<u>4,754</u>

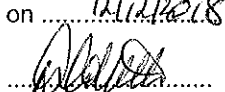
# CHARVILLE ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	11		5,767		5,850
<b>Current assets</b>					
Debtors	13	75		74	
Cash at bank and in hand		440		480	
		<u>515</u>		<u>554</u>	
Creditors: amounts falling due within one year	14	(190)		(195)	
<b>Net current assets</b>			<u>325</u>		<u>359</u>
<b>Total assets less current liabilities</b>			<u>6,092</u>		<u>6,209</u>
Pension scheme liability	17		(1,160)		(1,455)
<b>Net assets</b>			<u>4,932</u>		<u>4,754</u>
<b>Funds of the Academy:</b>					
<b>Restricted income funds</b>	16				
- Fixed asset funds			5,767		5,850
- Pension funds			(1,160)		(1,455)
<b>Total restricted funds</b>			<u>4,607</u>		<u>4,395</u>
<b>Unrestricted funds</b>	16		<u>325</u>		<u>359</u>
<b>Total funds</b>			<u>4,932</u>		<u>4,754</u>

The financial statements were approved by order of the Governing Board (Trustees) and authorised for issue on 21/10/2018

  
Mr D Coleshill  
Chair

  
Mrs N Kelly  
Accounting Officer and Headteacher

Company Number 08451827

# CHARVILLE ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

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	Notes	2018 £000	£000	2017 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	19		45		(15)
<b>Cash flows from investing activities</b>					
Capital grants from DfE and ESFA		11		11	
Payments to acquire tangible fixed assets		(96)		(104)	
			(85)		(93)
<b>Change in cash and cash equivalents in the reporting period</b>			(40)	<b>(108)</b>	
Cash and cash equivalents at 1 September 2017			480	588	
<b>Cash and cash equivalents at 31 August 2018</b>			<u>440</u>	<u>480</u>	

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# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

Charville Academy is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number, registered office address and address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' Report.

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.

##### 1.1 Basis of preparation

The financial statements of the Academy, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in sterling (£), which is also the functional currency for the Academy.

##### 1.2 Going concern

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Income

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

###### Grants receivable

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

###### Donations

Donations are included in the Statement of Financial Activities on a cash received basis (where there are no performance-related conditions) or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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's accounting policies.

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

#### 1.4 Expenditure

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

##### Expenditure on raising funds

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

##### Charitable activities

These are costs incurred on the Academy's educational operations.

##### Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principal activity of the Academy.

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

##### *Tangible fixed assets*

Tangible fixed assets costing £1k or more acquired since the Academy was established are capitalised and 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*

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

Freehold land and buildings	2% (Building improvements 2%)
ICT equipment	33.3%
Furniture and fittings, plant and machinery	20%

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

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

#### 1.6 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 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.

#### 1.7 Leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### 1.8 Financial instruments

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

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and, therefore, meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

#### 1.10 Pensions benefits

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

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

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

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

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### 1.11 Fund accounting

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

Restricted fixed asset funds are resources that 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 ESFA and DfE.

The defined-benefit pension scheme relates to the pension deficit arising on the LGPS. The fund is in deficit but given the nature of the liability, is not payable immediately.

### 2 Critical accounting estimates and areas of judgement

Accounting 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 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 17, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The Directors consider that the only area of judgement that is critical to the Academy's financial statements is the freehold property valuation, which was determined by the ESFA on conversion to academy status.

### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	11	11	11
Trips	-	28	28	29
Donations	8	-	8	4
	<u>8</u>	<u>39</u>	<u>47</u>	<u>44</u>

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the Academy's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	2,304	2,304	2,501
Other DfE group grants	-	381	381	383
	<u>-</u>	<u>2,685</u>	<u>2,685</u>	<u>2,884</u>
<b>Other government grants</b>				
Local authority grants	-	420	420	320
	<u>-</u>	<u>420</u>	<u>420</u>	<u>320</u>
<b>Total funding</b>	<u>-</u>	<u>3,105</u>	<u>3,105</u>	<u>3,204</u>

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Income from facilities and services	27	-	27	41
Catering income	-	43	43	42
	<u>27</u>	<u>43</u>	<u>70</u>	<u>83</u>

### 6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2018 £000	Total 2017 £000
Academy's educational operations					
- Direct costs	2,198	-	263	2,461	2,540
- Allocated support costs	530	295	162	987	990
	<u>2,728</u>	<u>295</u>	<u>425</u>	<u>3,448</u>	<u>3,530</u>

<b>Net income/(expenditure) for the year includes:</b>	<b>2018 £000</b>	<b>2017 £000</b>
Fees payable to auditor for audit services	6	6
Depreciation of tangible fixed assets	179	190
Net interest on defined benefit pension liability	37	19
	<u>222</u>	<u>215</u>

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	2,168	2,168	2,228
Educational supplies and services	-	145	145	174
Staff development	-	30	30	36
Educational consultancy	-	86	86	78
Other direct costs	-	32	32	24
	-	2,461	2,461	2,540
<b>Allocated support costs</b>				
Support staff costs	-	530	530	537
Depreciation	-	179	179	190
Maintenance of premises and equipment	-	48	48	53
Cleaning	-	4	4	4
Light and heat	-	32	32	30
Rates	-	20	20	22
Insurance	-	12	12	12
Catering	-	41	41	42
Interest and finance costs	-	37	37	19
Other support costs	-	84	84	81
	-	987	987	990
<b>Total costs</b>	-	3,448	3,448	3,530

Included within other support costs are governance costs, which are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the costs of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2018 £000	2017 £000
Wages and salaries	1,911	2,114
Social security costs	178	185
Pension costs	563	447
Staff costs	2,652	2,746
Agency staff costs	46	19
Staff development and other staff costs	30	36
Total staff expenditure	2,728	2,801

#### Non statutory/non-contractual staff severance payments

Included in teaching and educational support staff costs are non-statutory/non-contractual severance payments totalling £9,100 (2017: £nil). Individually, the payment was £9,100.

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	29	35
Administration and support	74	73
	103	108

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 to £70,000	1	1
£80,001 to £90,000	1	1

#### Key management personnel

The key management personnel of the Academy comprise the Directors and the senior management 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 was £250k (2017: £295k).

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Directors' remuneration and expenses

The Headteacher and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their roles as Directors. No directors received reimbursement of expenses during the year. The three (2017: four) staff Directors who received remuneration are:

Name	2018	2017
Mrs N Kelly (Headteacher)		
Gross salary	£85,001 - £90,000	£80,001 - £85,000
Employer's National Insurance	£10,001 - £15,000	£10,001 - £15,000
Employer's pension contributions	£10,001 - £15,000	£10,001 - £15,000
Mrs S Glean (resigned 06/02/2017)		
Gross salary	£ -	£25,001 - £30,000
Employer's National Insurance	£ -	£ 1 - £ 5,000
Employer's pension contributions	£ -	£ 1 - £ 5,000
Ms L Innes (resigned 13/09/2017)		
Gross salary	£ -	£45,001 - £50,000
Employer's National Insurance	£ -	£ 5,001 - £10,000
Employer's pension contributions	£ -	£ 5,001 - £10,000
Mrs S Rendell		
Gross salary	£10,001 - £15,000	£10,001 - £15,000
Employer's National Insurance	£ 1 - £ 5,000	£ 1 - £ 5,000
Employer's pension contributions	£ 1 - £ 5,000	£ 1 - £ 5,000
Mrs L Newbey (appointed 13/09/2017)		
Gross salary	£30,001 - £35,000	£ -
Employer's National Insurance	£ 5,001 - £10,000	£ -
Employer's pension contributions	£ 1 - £ 5,000	£ -

Other related party transactions involving the Directors are set out in note 23.

### 10 Directors and officers insurance

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

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets	Freehold land and buildings	ICT equipment	Furniture and fittings, plant and machinery	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 September 2017	6,185	164	162	6,511
Additions	58	3	35	96
At 31 August 2018	<u>6,243</u>	<u>167</u>	<u>197</u>	<u>6,607</u>
<b>Depreciation</b>				
At 1 September 2017	484	110	67	661
Charge for the year	112	34	33	179
At 31 August 2018	<u>596</u>	<u>144</u>	<u>100</u>	<u>840</u>
<b>Net book value</b>				
At 31 August 2018	<u>5,647</u>	<u>23</u>	<u>97</u>	<u>5,767</u>
At 31 August 2017	<u>5,701</u>	<u>54</u>	<u>95</u>	<u>5,850</u>
<b>12 Financial instruments</b>			<b>2018</b>	<b>2017</b>
			<b>£000</b>	<b>£000</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost			17	18
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost			86	84
<b>13 Debtors</b>			<b>2018</b>	<b>2017</b>
			<b>£000</b>	<b>£000</b>
Other debtors			17	18
Prepayments and accrued income			58	56
			<u>75</u>	<u>74</u>

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
	Trade creditors	-	1
	Other taxation and social security	47	47
	Other creditors	-	24
	Accruals and deferred income	143	123
		<u>190</u>	<u>195</u>
		<u><u>190</u></u>	<u><u>195</u></u>
<b>15</b>	<b>Deferred income</b>	<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
	Deferred income is included within:		
	Creditors due within one year	57	64
		<u>57</u>	<u>64</u>
		<u><u>57</u></u>	<u><u>64</u></u>
	Deferred income at 1 September 2017	64	79
	Released from previous years	(64)	(79)
	Resources deferred in the year	57	64
		<u>57</u>	<u>64</u>
	<b>Deferred income at 31 August 2018</b>	<b>57</b>	<b>64</b>
		<u><u>57</u></u>	<u><u>64</u></u>

As at the balance sheet date the Academy was holding funds received in advance for Infant Free School Meals funding for the year 2018/19.

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant	-	2,304	(2,288)	(16)	-
Other DfE / ESFA grants	-	381	(381)	-	-
Other government grants	-	420	(420)	-	-
Other restricted funds	-	71	(71)	-	-
	<u>-</u>	<u>3,176</u>	<u>(3,160)</u>	<u>(16)</u>	<u>-</u>
Funds excluding pensions	-	3,176	(3,160)	(16)	-
Pension reserve	(1,455)	-	(109)	404	(1,160)
	<u>(1,455)</u>	<u>3,176</u>	<u>(3,269)</u>	<u>388</u>	<u>(1,160)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	5,868	-	-	-	5,868
DfE / ESFA capital grants	(86)	11	(179)	85	(169)
General fixed assets	68	-	-	-	68
	<u>5,850</u>	<u>11</u>	<u>(179)</u>	<u>85</u>	<u>5,767</u>
<b>Total restricted funds</b>	<u>4,395</u>	<u>3,187</u>	<u>(3,448)</u>	<u>473</u>	<u>4,607</u>
<b>Unrestricted funds</b>					
General funds	359	35	-	(69)	325
	<u>359</u>	<u>35</u>	<u>-</u>	<u>(69)</u>	<u>325</u>
<b>Total funds</b>	<u>4,754</u>	<u>3,222</u>	<u>(3,448)</u>	<u>404</u>	<u>4,932</u>

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

General funds represent those resources that may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

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

Restricted general funds comprise all other restricted funds received and include grants from the ESFA and DfE.

The defined-benefit pension scheme relates to the pension deficit arising on the LGPS. The fund is in deficit but given the nature of the liability, this is not payable immediately.

The transfer of funds relates to the purchase of fixed assets during the period.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant	93	2,501	(2,516)	(78)	-
Other DfE / ESFA grants	-	383	(383)	-	-
Other government grants	-	320	(320)	-	-
Other restricted funds	-	71	(71)	-	-
	<u>93</u>	<u>3,275</u>	<u>(3,290)</u>	<u>(78)</u>	<u>-</u>
Funds excluding pensions	93	3,275	(3,290)	(78)	-
Pension reserve	(918)	-	(50)	(487)	(1,455)
	<u>(825)</u>	<u>3,275</u>	<u>(3,340)</u>	<u>(565)</u>	<u>(1,455)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	5,868	-	-	-	5,868
DfE / ESFA capital grants	-	11	(190)	93	(86)
General fixed assets	68	-	-	-	68
	<u>5,936</u>	<u>11</u>	<u>(190)</u>	<u>93</u>	<u>5,850</u>
<b>Total restricted funds</b>	<u>5,111</u>	<u>3,286</u>	<u>(3,530)</u>	<u>(472)</u>	<u>4,395</u>
<b>Unrestricted funds</b>					
General funds	329	45	-	(15)	359
	<u>329</u>	<u>45</u>	<u>-</u>	<u>(15)</u>	<u>359</u>
<b>Total funds</b>	<u>5,440</u>	<u>3,331</u>	<u>(3,530)</u>	<u>(487)</u>	<u>4,754</u>

### 17 Pensions 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 Hillingdon Borough Council (HBC). Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil (2017: £24k) were payable to the schemes at 31 August 2018 and are included within creditors.

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 17 Pensions and similar obligations

(Continued)

##### Teachers' Pension Scheme

###### Introduction

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

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

###### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £168k (2017: £184k).

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

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

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Pensions and similar obligations (Continued)

#### Local Government Pension Scheme

#### London Borough of Hillingdon Pension Scheme

The Academy is one of several employing bodies included within the London Borough of Hillingdon Pension Fund.

The London Borough of Hillingdon's pension scheme is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The agreed contribution rates for future years are 24.3% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Security 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.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	181	238
Employees' contributions	44	41
	<u>225</u>	<u>279</u>
	<u>225</u>	<u>279</u>
<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	%	%
Rate of increases in salaries	2.7	2.8
Rate of increase for pensions in payment	2.3	2.4
Discount rate	2.8	2.5
Inflation assumption (CPI)	2.4	2.1
Commutation of pensions to lump sums	65 to 85	65 to 85
	<u>65 to 85</u>	<u>65 to 85</u>
	<u>65 to 85</u>	<u>65 to 85</u>
Scheme liabilities would have been affected by changes in assumptions as follows:		
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Discount rate - 0.5%	477	469
Mortality rate + 1 year	128	128
CPI rate + 0.5%	360	341
Salary rate + 0.5%	108	117
	<u>108</u>	<u>117</u>
	<u>108</u>	<u>117</u>

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Pensions and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.6	22.6
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.5	26.5

#### The Academy's share of the assets in the scheme

	2018 Fair value £000	2017 Fair value £000
Equities	995	1,076
Bonds	568	416
Cash	223	35
Property	244	208
Total market value of assets	2,030	1,735
Actual return on scheme assets - gain	73	230

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

	2018 £000	2017 £000
Current service cost (net of employee contributions)	253	269
Net interest cost	37	19

#### Changes in the present value of defined benefit obligations

	2018 £000	2017 £000
Obligations at 1 September 2017	3,190	2,146
Current service cost	253	269
Interest cost	83	48
Employee contributions	44	41
Other experience: Actuarial gain	-	928
Changes in assumptions: Actuarial (gain)/loss	(377)	(240)
Benefits paid	(3)	(2)
At 31 August 2018	3,190	3,190

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Pensions and similar obligations	(Continued)	
Changes in the fair value of the Academy's share of scheme assets	2018 £000	2017 £000
Assets at 1 September 2017	1,735	1,228
Interest income	46	29
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	27	201
Employer contributions	181	238
Employee contributions	44	41
Benefits paid	(3)	(2)
At 31 August 2018	<u>2,030</u>	<u>1,735</u>

18 Analysis of net assets between funds	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	5,767	5,767
Current assets	325	190	-	515
Creditors falling due within one year	-	(190)	-	(190)
Defined benefit pension liability	-	(1,160)	-	(1,160)
	<u>325</u>	<u>(1,160)</u>	<u>5,767</u>	<u>4,932</u>
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	5,850	5,850
Current assets	359	195	-	554
Creditors falling due within one year	-	(195)	-	(195)
Defined benefit pension liability	-	(1,455)	-	(1,455)
	<u>359</u>	<u>(1,455)</u>	<u>5,850</u>	<u>4,754</u>

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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19 Reconciliation of net expenditure to net cash flow from operating activities	2018 £000	2017 £000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(226)	(199)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(11)	(11)
Defined benefit pension costs less contributions payable	72	31
Defined benefit pension net finance cost	37	19
Depreciation of tangible fixed assets	179	190
(Increase) in debtors	(1)	(5)
(Decrease) in creditors	(5)	(40)
<b>Net cash provided by/(used in) operating activities</b>	<u>45</u>	<u>(15)</u>

### 20 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21 Capital commitments	2018 £000	2017 £000
Expenditure contracted for but not provided in the financial statements	<u>-</u>	<u>7</u>

# CHARVILLE ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 22 Commitments under operating leases

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

	2018 £000	2017 £000
Amounts due within one year	7	-
Amounts due in two and five years	9	-
	<u>16</u>	<u>-</u>

### 23 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors or Governing Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Expenditure related party transactions:

During the year, the Academy purchased outsourced services from The Schools HR Co-Operative Limited, a company of which Mr M Charlton, who is a member of the Governing Board, a Director and a former Member of the Academy, is both a director and the controlling shareholder. The total of the outsourced services purchased was £16,680 (2017: £24,299). The element above £2,500 has not been provided "at no more than cost".

The Academy initially made the purchase of these separate services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into these transactions the Academy did not comply with the requirements of the ESFA's Academies Financial Handbook 2017, as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a Director and former Member of the Academy.

The contracts for the supply of these services were initially inherited by the Academy on its conversion to academy status and were subsequently renewed for a period of 2 years in March 2014 and again in March 2016 for 2 years. The Governors made the decision on 21 June 2017 that the limit of £7,500 be increased to £10,000 for individual contracts before the Academy needed to go out to tender. As a result of this decision, the Academy did not need to re-tender for these services, so the Academy will now renew annually. The Academy submitted a form explaining the role of Mr Charlton to the ESFA in February 2015 and again in 2017.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.

### 24 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 period 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.