

Company Registration Number: 08347877 (England & Wales)

**CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY,
FOLKESTONE**
(A company limited by guarantee)

Annual report and financial statements

For the Year Ended 31 August 2019

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26
Balance sheet	27 - 28
Statement of cash flows	29
Notes to the financial statements	30 - 54

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Diocese of Canterbury Academies Company Ltd Mr Chris Jordan Mr Ron Chitty
Trustees	Mr Ron Chitty, Vice Chair ¹ Mr Nick Boardman ¹ Mr Jim Kreiselmeier, Head Teacher Mrs Clare Carvill (resigned 1 October 2018) Mr Andrew Boxer (resigned 22 January 2019) ¹ Rev Bob Weldon Mrs Catherine Avery ¹ Ms Janet Wang (resigned 28 January 2019) Mrs Thirumala Swaminathan (resigned 6 May 2019) ¹ Mr Norman Bolton Mr Chris Jordan, Chair ¹ Mrs Maeve Renard (appointed 8 September 2018) Mr Joshua Carter (appointed 1 March 2019) Mr David Lawson (appointed 1 March 2019) Ms Michelle Fletcher (appointed 19 November 2018, resigned 6 July 2019) Mr Michael Rudkin (appointed 17 July 2019) ¹ members of the Finance and General Purposes committee
Company registered number	08347877
Company name	Christ Church Church of England Primary Academy, Folkestone
Principal and registered office	Christ Church Cep Academy Brockman Road Folkestone Kent CT20 1DJ
Company secretary	Mrs Rosemary Richter
Senior management team	Mr James Kreiselmeier, Head Teacher Mrs Nicola Clarke, Deputy Head Curriculum Mrs Emma Cook, Deputy Head Safeguarding, Wellbeing & SEN Mrs Rosemary Richter, School Business Manager
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank PO Box 1000 BX1 1LT

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the Year Ended 31 August 2019

Solicitors	Rootes and Allott 27 Cheriton Gardens Folkestone Kent CT20 2AR
Surveyors	Richard@carreconsultancy.co.uk

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report
For the Year Ended 31 August 2019

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

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Folkestone. It has a pupil capacity of 420 and had a roll of 423 in the school census on 10th May 2019.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of Christ Church Church of England Primary Academy, Folkestone are also the directors of the charitable company for the purposes of company law.

The charitable company is operates as Christ Church CEP Academy, Folkestone.

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.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 in any one claim.

d. Method of recruitment and appointment or election of Trustees

- a. The Members may appoint up to 2 Trustees.
- b. The Members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.
- c. The Incumbent(s) shall be treated for all purposes as an ex officio Foundation Trustee. Further, the Foundation Member may appoint additional Foundation Trustee(s) provided that the total number of Foundation Trustees (including ex officio Foundation Trustees) would not thereby exceed 25% of the total number of Trustees (excluding any Additional or Further Trustees).
- d. The Head Teacher shall be treated for all purposes as being an ex officio Trustee.
- e. Subject to Article 57, the Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.
- f. Additional trustees (if appointed by the Secretary of State).
- g. Any further trustees (if appointed by the Secretary of State).
- h. The Academy Trust may also have any Co opted Trustee appointed under Article 59.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new Trustees in any four-year cycle, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

f. Organisational structure

Leadership Group

The leadership group, alongside the governing body, sets the strategic direction for the school and is comprised of:

- Mr Kreiselmeier Head Teacher
- Mrs Clarke Deputy Head Teacher for Learning
- Mrs Cook Deputy Head Teacher for Pupil Safety and Well Being
- Mrs Richter Business Manager

Senior Management Team

Senior Managers facilitate the day to day running of the school and are comprised of the leadership group and:

- Mrs Atkins Early Years Team Leader (reception)
- Miss Perkins Key Stage 1 Team Leader (Years 1 & 2)
- Mr Goldsmith Lower Juniors Team Leader (Years 3 & 4)
- Miss Wyatt Juniors Team Leader (Years 5 & 6)

Curriculum Responsibilities

- Mrs Clarke English, Curriculum
- Miss Perkins Religious Education
- Mrs Carter Act of Collective Worship
- Miss Kelland Physical Education
- Mrs Tickner Library
- Mr Goldsmith Design and Technology
- Mrs Hogben Basic Skills and Maths Makes Sense
- Mrs Conybeare Art and Design
- Mr Kreiselmeier Maths
- Mrs Denham Geography
- Mrs Cook Prosper (PSHE)
- Miss Tapley ICT

The Trustees have devolved responsibility for the day to day management of the Academy to the Head Teacher and Leadership Group. The Head Teacher is the Accounting Officer and Mr R Dale is the clerk to the Governors.

g. Arrangements for setting pay and remuneration of key management personnel

All teaching staff, Head Teacher and Deputies are bound by the pay and conditions of the national pay scales. An appraisal process is carried out during the year to determine progression along the pay scale. The Head Teacher's performance management is carried out by Trustees and an external representative.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

As a proactive member of the Folkestone Ethos Church Schools we acknowledge our aim to collaborate and explore further ways in which our school will work alongside school partners (St Mary's, St Peter's, Selsted, Castle Hill, Stella Maris, Harcourt, and St Eanswythe's) with a collective vision to raise standards in all our schools.

Objectives and activities

a. Objects and aims

Within the general aim of providing a quality primary education that is relevant and emphasises lifelong learning, the individual aims of the school are as follows:

- Help children to learn to live together in a community and to show sensitivity to the differences between one another.
- Develop all children to their full potential and to integrate all children, regardless of need, fully into mainstream school classes.
- Encourage all children to become responsible, independent people who are able to think deeply about the world around them.
- Develop in children a high degree of excellence in English, mathematics, science and the aesthetic and physical areas of learning.
- Foster attitudes in children, which instil self-confidence and develop a positive sense of moral responsibility, spirituality and self-discipline.
- Provide children with an education appropriate to the world outside the classroom.
- Develop within children lively and inquisitive minds to promote enquiry and rational debate.
- Expect children to understand the world in which they live and the interdependence of individuals, groups and nations.
- Value each member of the school community- pupil, parents, staff and governors – and the contribution they make towards the success of the Academy.

Provision for our children

Christ Church CEP Academy will provide for its pupils:

A curriculum that:

- is broad balanced and technologically based
- appeals to the strengths and interests of our children
- has links with the community and industry that support and provide relevance.

Appropriate high class accommodation and facilities that:

- ensure the means of achieving our curricular objectives
- stimulates high achievement
- acts as a visible statement of the importance of education to the whole community.

Well-qualified and motivated staff who:

- have high expectations of our pupils


CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Objectives and activities (continued)

- are able and commit to realising our curricular objectives.

b. Objectives, strategies and activities

	<p style="text-align: center;">Summary Overview 2018/2019</p> <p>Aims:</p>
<p>Achievement</p>	<ul style="list-style-type: none"> • Raise standards in spelling • Ensure all pupils at risk of/or underachieving are in targeted and specific intervention groups • To further develop children's inference and deduction skills in reading across the curriculum • To continue to implement P4C throughout the school • Year 4 to engage in the Arts Award • Successfully acquire the Music Mark status
<p>Quality of Teaching</p>	<ul style="list-style-type: none"> • To ensure that assessment information is used to plan appropriately challenging lessons that result in good progress for all pupils • To implement the new RE curriculum across the school • Improve the teaching, learning and assessment of Science throughout the school • To use triangular moderation and joint moderation within and outside of FESI to ensure continuity of levelling across the school, using assessment without levels • To ensure a broad and balanced curriculum is being delivered throughout the school, including a variety of enrichment activities
<p>Behaviour and Safety</p>	<ul style="list-style-type: none"> • Improve attendance further and reduce the number of pupils who arrive late for school • To further educate pupils, parents, staff and governors in e-safety • Review and update the PSHE policy and procedures
<p>Leadership and Management</p>	<ul style="list-style-type: none"> • Strengthen appraisal processes to ensure that all staff are accountable for the impact of their work on pupils' learning and progress • To develop the leadership skills of middle leaders in order to support school improvement priorities • FESI Schools work effectively to improve the curriculum enrichment opportunities for all pupils within the Collaborate. • Increase and improve upon opportunities for worship throughout the school
<p>Early Years</p>	<ul style="list-style-type: none"> • Provide quality child initiated provision that fully engages all children. • Children to feel confident to write (and enjoy writing) • Children's profiles to include thorough observations to support end of year assessment decision.
<p>Resources</p>	<ul style="list-style-type: none"> • To refurbish the ladies' toilets to increase the number of toilets and improve the facilities • To establish a sensory garden in the infant playground and tree area • Infant Playground resurfacing and equipping • Toilet refurbishment programme

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Objectives and activities (continued)

c. Public benefit

Please refer to aims, objectives, key activities and achievement and performance as examples where the advancement of education is taking place and linked to public benefit.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report

Achievements and performance

Key Stage Two	2017						2018						2019					
	School		Kent		National		School		Kent		National		School		Kent		National	
% Pupil expected	75	75	64	65	61	N/A	75	75	64	65	61	N/A	77	75	64	65	61	N/A
% Pupil higher standard	3	7	5	3	5	N/A	13	12	11	12	10	N/A	14	8	11	4	10	N/A
% Reading expected	89	85	74	67	73	N/A	83	85	74	67	73	N/A	87	88	77	67	75	N/A
% Reading high score	38	38	21	16	25	N/A	43	43	23	18	28	N/A	42	50	25	15	28	N/A
% Writing expected	89	92	90	88	76	N/A	85	75	82	85	76	N/A	86	88	81	88	78	N/A
% Writing greater depth	34	14	19	19	16	N/A	34	34	22	15	29	N/A	30	33	22	11	25	N/A
% GPS expected	85	83	75	63	71	N/A	83	85	75	61	76	N/A	88	88	76	61	78	N/A
% GPS higher standard	45	36	30	17	9	N/A	45	45	32	15	25	N/A	43	53	32	15	34	N/A
% Maths expected	67	65	76	62	75	N/A	61	60	75	63	74	N/A	67	74	75	61	75	N/A
% Maths high score	30	25	23	14	23	N/A	33	31	33	14	24	N/A	25	35	32	17	24	N/A

Average Scaled Scores

	Reading					Maths					GPS				
	2017		2018		2019	2017		2018		2019	2017		2018		2019
	All	FSM	All	FSM		All	FSM	All	FSM		All	FSM	All	FSM	
School	107	104	111	109	109	106	105	108	107	107	106	109	109	108	105
Kent	103	100	103	102	105	103	100	105	103	104	104	104	105	105	105
National	104	104	104	104	104	104	N/A	104	N/A	104	106	N/A	106	N/A	104

Average Progress Score	Reading					Writing				
	2017		2018		2019	2017		2018		2019
	All	FSM	All	FSM		All	FSM	All	FSM	
School	4.0	6.0	7.1	9.2	5.2	5.3		4.5	4.5	3.0
Kent	0.3	-0.4	0.0	0.1		0.4	-0.01	0.3	0.3	
National	0.0		0.0	N/A	0.0	N/A		0.0	N/A	0.0

Average Progress Score	Maths					
	2017		2018		2019	
	All	FSM	All	FSM	All	FSM
School	4.5	5.3	5.5	6.0	3.2	
Kent	-0.2	-1.0	-0.3	-1.3		
National	0.0		0.0	N/A	0.0	N/A

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

Key Stage One

	2017						2019					
	School		Kent		National		School		Kent		National	
	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM
% Reading expected	75	73	75	65	75	N/A	83	87	73	62	75	N/A
% Writing expected	85	71	72	57	69	N/A	88	83	73	64	77	N/A
% Maths expected	83	82	78	65	75	N/A	82	88	71	61	76	N/A
% Reading greater depth	22	18	26	13	25	N/A	18	28	27	11	28	N/A
% Writing greater depth	15	11	17	8	16	N/A	22	18	17	7	16	N/A
% Maths greater depth	22	24	21	10	21	N/A	25	15	23	11	23	N/A

2017		2019	
All	FSM	All	FSM
90	96	85	78

Foundation Stage

	2017						2019					
	School		Kent		National		School		Kent		National	
	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM
% Good level of Development	79	75	74	58	71	N/A	75	67	75	60	74	N/A
% Exceeding or Expected Literacy Goals	81	75	76	59	72	N/A	76	67	77	62	73	N/A
% Exceeding or Expected Maths Goals	81	75	81	66	79	N/A	80	66	82	69	76	N/A

a. Key performance indicators

Our results at Key Stage 2 reveal that we have significantly outperformed the national average, and are in the top 5% of all schools for value added. Progress and attainment for other year groups, and vulnerable pupils across the school are also very good, with high outcomes being achieved.

At Key Stage 1 our results continue to be above the national expected in all subjects, and in line at greater depth. These figures also underpin the higher attainment of FSM pupils in comparison with the local and national (consistent for the past three years).

The high percentage of pupils who pass the Year 1 Phonics Screening continue to be sustained.

On entry our reception cohort was assessed as being 75% below national expectations. As you can deduct from the outcomes, substantial progress was made over the year so that pupils achieved near to or above Kent 2019 averages.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trustees have determined that the appropriate level of free reserves for recurrent costs should be equivalent to 4 weeks' expenditure, approximately £170,000. The reason for this is provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition to these free reserves earmarked for recurrent costs, the Trustees have invested the remainder of the unrestricted funds which they have carried forward from the old school. These will be used within the next three years for large scale school improvement projects, if adequate government funding for these is not forthcoming.

b. Investment policy

Investments must be made only in accordance with written procedures approved by the governing body. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks including internal controls. Where significant financial risk still remains they have ensured that they have adequate insurance cover.

The Trustees regularly examine the robustness of the financial systems of the Academy via Responsible Officer checks and reports to the Resource Committee. The Resources Committee regularly reviews performance against budgets and overall expenditure. The Finance Officer regularly monitors cash flow and ensures sufficient funds are held to cover all known and anticipated commitments.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, this deficit will not crystallise within the foreseeable future and the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. Since the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Within the framework of the academy development plan as approved by the governing body the Head Teacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Business Manager but the Head Teacher still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
- Budget virement of £8,000 or less;
- Authorising orders and contracts between £3,000 and £8,000 in conjunction with the Business Manager;
- Signing cheques and BACs payments in conjunction with the Business Manager or other authorised signatories.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Financial review (continued)

d. Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives a small grant for capital maintenance from the DfE and this is shown in the Statement of Financial Activities as restricted income. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure of £2,328,161 (2018 - £2,236,468) was covered by recurrent grant funding from the DfE of £1,964,356 (2018 - £1,942,893) together with other incoming resources of £355,918 (2018 - £189,834). The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £138,619 (2018 - £53,922). Net movement in funds totalled £(267,887) (2018 - £183,259). All expenditure has supported the key objectives of the academy trust.

At 31st August 2019 the net book value for fixed assets was £2,553,579 (2018 - £2,433,604) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 24 to the financial statements.

Fundraising

The Academy's approach to fundraising is to support local charities and those voted for by the children through the school council.

All monies raised are recorded in the Academy accounts as income and expenditure.

Donations from our families are on a voluntary basis.

Representatives from chosen charities are invited into school to speak to the children so that they are informed more aware of local and national social issues and how they can make a difference.

Plans for future periods

Refer to above strategies, activities and objectives as listed above, as well as the 2019/2020 Academy Development Plan on www.christchurchfolkestone.com

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2019

Auditors

The auditors, Williams Giles Professional Services Ltd, have indicated their willingness to continue in office. A value for money exercise has been carried out within the FESI group and it has been decided that there would be no benefit to the academy to change auditors at this time.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:



Mr Chris Jordan
Chair of Trustees



Mr Jim Kreiselmeier
Head Teacher

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
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Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Christ Church Church of England Primary Academy, Folkestone and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Ron Chitty, Vice Chair	3	4
Mr Nick Boardman	3	4
Mr Jim Kreiselmeier, Head Teacher	4	4
Mrs Clare Carvill	1	1
Mr Andrew Boxer	2	2
Rev Bob Weldon	4	4
Mrs Catherine Avery	3	4
Ms Janet Wang	1	2
Mrs Thirumala Swaminathan	0	3
Mr Norman Bolton	4	4
Mr Chris Jordan, Chair	2	4
Mrs Maeve Renard	3	3
Mr Joshua Carter	2	2
Mr David Lawson	1	2
Ms Michelle Fletcher	0	2
Mr Michael Rudkin	1	1

Although the Governing Board only met four times during the year the additional scrutiny undertaken during the meetings of the Resources Team, which met three times during the year, and the visits by the Responsible Officer provided effective and regular oversight of the Academy's funds.

The Governing Board also established a Strategy Team and Learning and Development (L&D) Team. The role of the Strategy Team is to take a lead in the strategic planning of the Academy and maintain an oversight of the budget. The L&D Team takes the lead in monitoring the progress against the curriculum and personnel targets of the School Improvement Plan.

The Resources Team is a committee of the Governing Board. Its purpose is to assist the decision making of the Governing Board and Strategy Team as appropriate by enabling more detailed consideration to be given to the best means of fulfilling the Governing Board's responsibility to ensure sound management of the Academy's finances and resources including proper planning monitoring and probity.

The Resources Team reviews the Academy's internal and external financial statements and reports to ensure that they reflect best practice as well as considering all reports by the external auditor including reports on the Academy accounts, achievement of value for money and the response to any management letters.

The Resources Team met formally three times during the year. Attendance at meetings of the Resources Team was as follows:

Trustee	Meetings attended	Out of a possible
Mr Nick Boardman (Chair)	2	3
Mr Chris Jordan	3	3
Mr Jim Kreiselmeier	3	3
Mr Ron Chitty	2	3
Mr Andrew Boxer (End of term 22/01/2019)	1	1
Mrs Catherine Avery	2	3
Mrs Thirumala Swaminathan (Resigned 06/05/2019)	1	2

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

The Governing Board has undergone significant changes in membership during the year, with a few of the more experienced governors having stepped down. However two Parent Governors and a Co-opted Governor were successfully recruited during the early part of 2019. A Foundation Governor has been proposed and it is hoped that this appointment will be confirmed by the Diocese at the start of the 2019/20 academic year.

Following a recent Ofsted inspection, the Chair and Vice Chair acknowledged there have been some gaps in the oversight provided by the Governing Board of the school's work because of this upheaval. The governors are planning to conduct a skills audit once all the new governors are confirmed in their posts. The results of the audit should enable any areas which need strengthening to be identified and the development of a plan of suitable action to address any issues.

Review of value for money

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

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

- Improved pupil outcomes at the end of each key stage
- Improved site facilities for pupils, and stakeholders
- Improved leadership and management through collaborative workings with FESI School Leaders

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Christ Church Church of England Primary Academy, Folkestone for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr Nick Boardman, a Trustee, to carry out a programme of internal checks.

The internal reviewer'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:

The following bullets are illustrative examples only as academy trusts should determine the scope of their checks based on a consideration of the relative risks.

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of VAT procedures

On a quarterly basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the board of Trustees on 5 December 2019 and signed on their behalf by:



Mr Chris Jordan
Chair of Trustees



Mr Jim Kreiselmeier
Accounting Officer

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Christ Church Church of England Primary Academy, Folkestone I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



Mr Jim Kreiselmeier
Accounting Officer
Date: 5 December 2019

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 5 December 2019 and signed on its behalf by:



Mr Chris Jordan
Chair of Trustees

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Christ Church Church of England Primary Academy, Folkestone

Opinion

We have audited the financial statements of Christ Church Church of England Primary Academy, Folkestone (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Christ Church Church of England Primary Academy, Folkestone (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Christ Church Church of England Primary Academy, Folkestone (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of
Williams Giles Professional Services Ltd

Chartered Accountants
Statutory Auditors

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date: 10 December 2019

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Christ Church Church of England Primary Academy, Folkestone and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 3 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Christ Church Church of England Primary Academy, Folkestone during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Christ Church Church of England Primary Academy, Folkestone and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Christ Church Church of England Primary Academy, Folkestone 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 Christ Church Church of England Primary Academy, Folkestone and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Christ Church Church of England Primary Academy, Folkestone's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Christ Church Church of England Primary Academy, Folkestone's funding agreement with the Secretary of State for Education dated 27 February 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Christ Church Church of
England Primary Academy, Folkestone and the Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Crawford FCA

Williams Giles Professional Services Ltd

Date: 10 December 2019

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	7,946	-	204,778	212,724	16,831
Charitable activities		-	2,021,194	-	2,021,194	2,029,372
Other trading activities		31,528	54,828	-	86,356	86,524
Total income		39,474	2,076,022	204,778	2,320,274	2,132,727
Expenditure on:						
Charitable activities	7	-	2,254,115	74,046	2,328,161	2,236,468
Total expenditure		-	2,254,115	74,046	2,328,161	2,236,468
Net income/(expenditure)		39,474	(178,093)	130,732	(7,887)	(103,741)
Transfers between funds	18	(9,847)	9,847	-	-	-
Net movement in funds before other recognised gains/(losses)		29,627	(168,246)	130,732	(7,887)	(103,741)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(260,000)	-	(260,000)	287,000
Net movement in funds		29,627	(428,246)	130,732	(267,887)	183,259
Reconciliation of funds:						
Total funds brought forward		191,882	(820,754)	2,442,194	1,813,322	1,630,063
Net movement in funds		29,627	(428,246)	130,732	(267,887)	183,259
Total funds carried forward		221,509	(1,249,000)	2,572,926	1,545,435	1,813,322

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 54 form part of these financial statements.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE

(A company limited by guarantee)

Registered number: 08347877

**Balance sheet
As at 31 August 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	2,553,579	2,433,604
		<u>2,553,579</u>	<u>2,433,604</u>
Current assets			
Stocks	15	6,740	5,699
Debtors	16	90,740	51,310
Cash at bank and in hand		253,709	303,547
		<u>351,189</u>	<u>360,556</u>
Creditors: amounts falling due within one year	17	(110,333)	(113,838)
Net current assets		<u>240,856</u>	<u>246,718</u>
Total assets less current liabilities		<u>2,794,435</u>	<u>2,680,322</u>
Net assets excluding pension liability		<u>2,794,435</u>	<u>2,680,322</u>
Defined benefit pension scheme liability	24	(1,249,000)	(867,000)
Total net assets		<u><u>1,545,435</u></u>	<u><u>1,813,322</u></u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Balance sheet (continued)
As at 31 August 2019

	Note	2019 £	2018 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	2,572,926	2,442,194
Restricted income funds	18	-	46,246
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	2,572,926	2,488,440
Pension reserve	18	(1,249,000)	(867,000)
		<hr/>	<hr/>
Total restricted funds	18	1,323,926	1,621,440
Unrestricted income funds	18	221,509	191,882
		<hr/>	<hr/>
Total funds		1,545,435	1,813,322
		<hr/>	<hr/>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:

Mr Ron Chitty



The notes on pages 30 to 54 form part of these financial statements.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(60,595)	126,947
Cash flows from Investing activities	21	10,757	(1,011)
Change in cash and cash equivalents in the year		(49,838)	125,936
Cash and cash equivalents at the beginning of the year		303,547	177,611
Cash and cash equivalents at the end of the year	22	253,709	303,547

The notes on pages 30 to 54 form part of these financial statements

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies

Christ Church Church of England Primary Academy, Folkestone is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Brockman Road, Folkestone, Kent, CT20 1DJ. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is rounded to the nearest pound.

Christ Church Church of England Primary Academy, Folkestone meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

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**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.5 Taxation

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

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Buildings on church land	-	2% Straight line
Furniture and fixtures	-	25% Straight line
Computer equipment	-	33% Straight line

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.

The buildings on Church land are situated on land, not owned by the Academy Trust, and are occupied on a rolling supplemental agreement with the Diocese of Canterbury. The underlying land is subject to a variety of specific trusts and vests in a number of different parties represented by the Diocese of Canterbury. Whilst the Academy Trust does not own the buildings, the Trustees do not regard the termination of the agreement to occupy as likely and therefore have reflected the fact that the Academy derives economic value from the buildings, which it is obliged to maintain and improve, by including them in the accounts. This is at the valuation based on the Mouchel desktop valuation completed for the ESFA, as if occupied under long leasehold. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land has been included. This treatment reflects the substance of the transaction, not the strict legal form of the transaction and places no restriction on either the Academy or the Diocese or the trusts which own the land.

The Church currently have a 125 year lease with Kent County Council on the field adjacent to the Academy, used as a playing field by the Academy. No value has been brought into the accounts for this as there are no buildings situated on this land and no value for land has been included.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.13 Pensions

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.

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.14 Fund accounting

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

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

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	7,946	-	7,946
Capital grants	-	204,778	204,778
	<u>7,946</u>	<u>204,778</u>	<u>212,724</u>
	<u><u>7,946</u></u>	<u><u>204,778</u></u>	<u><u>212,724</u></u>

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	8,241	-	8,241
Capital grants	-	8,590	8,590
	<u>8,241</u>	<u>8,590</u>	<u>16,831</u>
	<u><u>8,241</u></u>	<u><u>8,590</u></u>	<u><u>16,831</u></u>

4. Funding for the Academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,641,670	1,641,670	1,633,772
Other DfE/ESFA grants	41,429	41,429	20,959
Pupil premium	229,035	229,035	231,570
Universal Infant Free School Meals	52,222	52,222	56,592
	<u>1,964,356</u>	<u>1,964,356</u>	<u>1,942,893</u>
Other government grants			
Other government grants	56,838	56,838	86,479
	<u>2,021,194</u>	<u>2,021,194</u>	<u>2,029,372</u>
	<u><u>2,021,194</u></u>	<u><u>2,021,194</u></u>	<u><u>2,029,372</u></u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Lettings income	31,528	-	31,528
Catering income	-	22,917	22,917
School trip income	-	19,763	19,763
Other income	-	12,148	12,148
	<u>31,528</u>	<u>54,828</u>	<u>86,356</u>
	<u>31,528</u>	<u>54,828</u>	<u>86,356</u>
	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Lettings income	30,252	-	30,252
Catering income	-	20,476	20,476
School trip income	-	15,461	15,461
Other income	-	20,335	20,335
	<u>30,252</u>	<u>56,272</u>	<u>86,524</u>
	<u>30,252</u>	<u>56,272</u>	<u>86,524</u>

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational operations:				
Direct costs	1,536,140	-	144,137	1,680,277
Allocated support costs	315,453	57,595	274,836	647,884
	<u>1,851,593</u>	<u>57,595</u>	<u>418,973</u>	<u>2,328,161</u>
	<u>1,851,593</u>	<u>57,595</u>	<u>418,973</u>	<u>2,328,161</u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
Educational operations:				
Direct costs	1,495,984	-	147,161	1,643,145
Allocated support costs	281,538	86,698	225,087	593,323

7. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Restricted funds</i> 2019 £	<i>Total funds</i> 2019 £	<i>Total funds</i> 2018 £
Educational operations	2,328,161	2,328,161	2,236,468

8. Analysis of expenditure by activities

	<i>Activities undertaken directly</i> 2019 £	<i>Support costs</i> 2019 £	<i>Total funds</i> 2019 £
Educational operations	1,680,277	647,884	2,328,161

	<i>Activities undertaken directly</i> 2018 £	<i>Support costs</i> 2018 £	<i>Total funds</i> 2018 £
Educational operations	1,643,145	593,323	2,236,468

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	1,531,814	1,531,814	1,495,984
Educational supplies	126,352	126,352	123,997
Staff development	17,785	17,785	23,164
Agency supply	4,326	4,326	-
	<u>1,680,277</u>	<u>1,680,277</u>	<u>1,643,145</u>

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
LGPS costs	23,000	23,000	26,000
Staff costs	315,453	315,453	281,538
Depreciation	74,046	74,046	68,010
Maintenance of premises and equipment	36,062	36,062	33,011
Cleaning	9,626	9,626	19,464
Rent & rates	5,065	5,065	8,391
Light & heat	29,042	29,042	24,364
Insurance	8,380	8,380	8,240
Security & transport	1,547	1,547	1,655
Catering	91,531	91,531	73,106
Computer costs	12,284	12,284	10,993
Other support costs	9,773	9,773	10,890
Governance costs	32,075	32,075	27,661
	<u>647,884</u>	<u>647,884</u>	<u>593,323</u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	74,046	68,010

10. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Academy's auditor for the audit of the Academy's annual accounts	5,850	5,850
Fees payable to the Academy's auditor in respect of:		
All taxation advisory services not included above	8,622	250
All non-audit services not included above	8,622	8,622

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,399,544	1,354,569
Social security costs	111,445	109,381
Pension costs	336,278	313,572
	1,847,267	1,777,522
Agency staff costs	4,326	0
	1,851,593	1,777,522

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

11. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Teaching staff	25	27
Support staff	45	41
Management	4	4
	<u>74</u>	<u>72</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy trust comprise of the trustees 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 trust was £282,035 (2018: £276,572).

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Mr Jim Kreiselmeier	Remuneration	80,000 - 85,000	<i>80,000 - 85,000</i>
	Pension contributions paid	10,000 - 15,000	<i>10,000 - 15,000</i>
Mrs Clare Carvill	Remuneration	0 - 5,000	<i>30,000 - 35,000</i>
	Pension contributions paid	0 - 5,000	<i>5,000 - 10,000</i>
Mrs Catherine Avery	Remuneration	35,000 - 40,000	<i>30,000 - 35,000</i>
	Pension contributions paid	5,000 - 10,000	<i>5,000 - 10,000</i>
Mrs Maeve Renard (appointed 8 September 2018)	Remuneration	20,000 - 25,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. Trustees' and Officers' insurance

The Academy has opted into the Department of 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 membership.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

14. Tangible fixed assets

	Buildings on church land £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	2,709,255	66,547	141,204	2,917,006
Additions	170,494	2,838	20,689	194,021
At 31 August 2019	<u>2,879,749</u>	<u>69,385</u>	<u>161,893</u>	<u>3,111,027</u>
Depreciation				
At 1 September 2018	286,339	65,007	132,056	483,402
Charge for the year	57,595	1,463	14,988	74,046
At 31 August 2019	<u>343,934</u>	<u>66,470</u>	<u>147,044</u>	<u>557,448</u>
Net book value				
At 31 August 2019	<u>2,535,815</u>	<u>2,915</u>	<u>14,849</u>	<u>2,553,579</u>
At 31 August 2018	<u>2,422,916</u>	<u>1,540</u>	<u>9,148</u>	<u>2,433,604</u>

15. Stocks

	2019 £	2018 £
Uniform stock	<u>6,740</u>	<u>5,699</u>

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	978	1,738
Other debtors	39,484	4,695
Prepayments and accrued income	50,278	44,877
	<u>90,740</u>	<u>51,310</u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	218	17,767
Other creditors	59,219	53,301
Accruals and deferred income	50,896	42,770
	110,333	113,838
	2019	2018
	£	£
Deferred income at 1 September 2018	33,012	31,355
Resources deferred during the year	30,463	33,012
Amounts released from previous periods	(33,012)	(31,355)
	30,463	33,012

At the balance sheet date the academy trust was holding funds received for the following financial year in respect of universal free school meals funding.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	191,882	39,474	-	(9,847)	-	221,509
Restricted general funds						
General Annual Grant (GAG)	46,246	1,641,670	(1,697,763)	9,847	-	-
Pupil premium	-	229,035	(229,035)	-	-	-
Other DfE/ESFA grants	-	41,429	(41,429)	-	-	-
Universal infant free school meals	-	52,222	(52,222)	-	-	-
Other government grants	-	56,838	(56,838)	-	-	-
Generated funds	-	54,828	(54,828)	-	-	-
Pension reserve	(867,000)	-	(122,000)	-	(260,000)	(1,249,000)
	<u>(820,754)</u>	<u>2,076,022</u>	<u>(2,254,115)</u>	<u>9,847</u>	<u>(260,000)</u>	<u>(1,249,000)</u>
Restricted fixed asset funds						
Assets held for depreciation	2,442,194	-	(74,046)	-	-	2,368,148
Devolved formula capital grant	-	24,766	-	-	-	24,766
Condition Improvement Fund	-	180,012	-	-	-	180,012
	<u>2,442,194</u>	<u>204,778</u>	<u>(74,046)</u>	<u>-</u>	<u>-</u>	<u>2,572,926</u>
Total Restricted funds	<u>1,621,440</u>	<u>2,280,800</u>	<u>(2,328,161)</u>	<u>9,847</u>	<u>(260,000)</u>	<u>1,323,926</u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

18. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	1,813,322	2,320,274	(2,328,161)	-	(260,000)	1,545,435

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

18. Statement of funds (continued)

Buildings on Church land are subject to restricted trusts and comprise assets which are recognised in accordance with the accounting policy set out in note 1 on page 32. The land upon which these buildings are situated was originally donated solely for the purpose of providing a site for school buildings. Were school operations ever to cease on this site, the land and obligations would revert to the original trustees for this site.

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
Unrestricted funds	181,050	38,493	(27,661)	-	-	191,882
Restricted general funds						
General Annual Grant (GAG)	-	1,633,772	(1,577,925)	(9,601)	-	46,246
Pupil premium	-	231,570	(231,570)	-	-	-
Other DfE/ESFA grants	-	77,551	(77,551)	-	-	-
Other government grants	-	86,479	(86,479)	-	-	-
Generated funds	-	56,272	(56,272)	-	-	-
Pension reserve	(1,043,000)	-	(111,000)	-	287,000	(867,000)
	(1,043,000)	2,085,644	(2,140,797)	(9,601)	287,000	(820,754)
Restricted fixed asset funds						
Assets held for depreciation	2,492,013	-	(68,010)	9,601	-	2,433,604
Devolved formula capital grant	-	8,590	-	-	-	8,590
	2,492,013	8,590	(68,010)	9,601	-	2,442,194
Total Restricted funds	1,449,013	2,094,234	(2,208,807)	-	287,000	1,621,440
Total funds	1,630,063	2,132,727	(2,236,468)	-	287,000	1,813,322

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,553,579	2,553,579
Current assets	230,141	101,701	19,347	351,189
Creditors due within one year	(8,632)	(101,701)	-	(110,333)
Provisions for liabilities and charges	-	(1,249,000)	-	(1,249,000)
Total	221,509	(1,249,000)	2,572,926	1,545,435

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,433,604	2,433,604
Current assets	305,720	46,246	8,590	360,556
Creditors due within one year	(113,838)	-	-	(113,838)
Provisions for liabilities and charges	-	(867,000)	-	(867,000)
Total	191,882	(820,754)	2,442,194	1,813,322

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

20. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(7,887)	(103,741)
Adjustments for:		
Depreciation	74,046	68,010
Capital grants from DfE and other capital income	(204,778)	(8,590)
Defined benefit pension scheme finance cost	122,000	111,000
Increase in stocks	(1,041)	(2,171)
Increase in debtors	(39,430)	(1,465)
(Decrease)/increase in creditors	(3,505)	63,904
Net cash (used in)/provided by operating activities	(60,595)	126,947

21. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(194,021)	(9,601)
Capital grants from DfE Group	204,778	8,590
Net cash provided by/(used in) investing activities	10,757	(1,011)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	253,709	303,547
Total cash and cash equivalents	253,709	303,547

23. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the ESFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the ESFA.

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

24. Pension commitments

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

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 £29,309 were payable to the schemes at 31 August 2019 (2018 - £27,009) and are included within creditors.

Teachers' Pension Scheme

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £150,489 (2018 - £149,121).

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.

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(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £112,699 (2018 - £104,000), of which employer's contributions totalled £86,788 (2018 - £80,000) and employees' contributions totalled £ 25,911 (2018 - £24,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.2	2.3
RPI increases	3.2	3.3

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	2,790	2,248
Discount rate -0.1%	2,921	2,353
Mortality assumption - 1 year increase	2,952	2,373
Mortality assumption - 1 year decrease	2,761	2,229
CPI rate +0.1%	2,912	2,346
CPI rate -0.1%	2,799	2,255

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**Notes to the financial statements
For the Year Ended 31 August 2019**

24. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,095,000	977,000
Gilts	11,000	11,000
Other bonds	145,000	127,000
Property	187,000	177,000
Cash and other liquid assets	43,000	44,000
Absolute return fund	125,000	97,000
Total market value of assets	1,606,000	1,433,000

The actual return on scheme assets was £66,000 (2018 - £59,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(156,000)	(164,000)
Past service cost	(29,000)	-
Interest income	38,000	34,000
Interest cost	(61,000)	(60,000)
Administrative expenses	-	1,000
Total amount recognised in the Statement of financial activities	(208,000)	(189,000)

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

	2019 £	2018 £
At 1 September	2,300,000	2,314,000
Current service cost	156,000	164,000
Interest cost	61,000	60,000
Employee contributions	26,000	24,000
Actuarial losses/(gains)	287,000	(262,000)
Benefits paid	(4,000)	-
Past service costs	29,000	-
At 31 August	2,855,000	2,300,000

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Notes to the financial statements
For the Year Ended 31 August 2019

24. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,433,000	1,271,000
Interest income	39,000	34,000
Actuarial gains	27,000	25,000
Employer contributions	86,000	79,000
Employee contributions	26,000	24,000
Benefits paid	(4,000)	-
Other	(1,000)	-
At 31 August	1,606,000	1,433,000

25. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	975	975

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year there was one transaction with Folkestone Ethos School Improvement Ltd, who is a related party via Jim Kreiselmeier, this was the schools contribution for the year. The amount spent with Folkestone Ethos School Improvement Ltd was £1,200 (2018: £5,810), the amount outstanding at 31 August 2019 was £Nil (2018: £Nil)

In entering into the transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

