

Company Registration No. 09362801 (England and Wales)

ESHER CHURCH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ESHER CHURCH SCHOOL

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ESHER CHURCH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

S Mohamed (Resigned 3 October 2018)
C Bell (Headteacher and Accounting Officer)
A de la Touche
B Holmes (Chair)
C O'Brien (Resigned 3 August 2019)
T Robinson Smith (Resigned 1 February 2019)
P Stanfield
E Morris (Resigned 12 May 2019)
G Harper
M Hall (Resigned 12 May 2019)
R Webb
P Ferreira- Lay
S Valambhia (Staff governor)
N Messiha (Staff governor)
Mr R Lonnon (Appointed 3 October 2018)
Mr A Philips (Appointed 13 May 2019)

Members

The Guildford Diocese Educational Trust
A De La Touche
The Incumbent of Esher, Christ Church
B Holmes
C O'Brien

Senior leadership team

C Bell - Head Teacher
C McLennan - Deputy head teacher
Helen Vernon - Chief Financial Officer
Tracy Tomb - Foundation Stage
Vic Cotter - KS1
Elaine Brindley - Lower KS2
Carol Skingle - Upper KS2
Simon Botham - Strategic Leader for Christian Distinctiveness
Pam Bal - SENCO

Company registration number

09362801 (England and Wales)

Registered office

Esher Church School
Milbourne Lane
Esher
Surrey
KT10 9DU
UK

Independent auditor

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
BR6 ONZ

ESHER CHURCH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Surrey Legal Services
County Hall
Penrhyn Road
Kingston Upon Thames
Surrey
KT1 2DN

ESHER CHURCH SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their annual report together with the financial statements and independent auditor's report of the charitable company for the 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 Trust operates an academy for pupils aged 4 to 11 and is a Church of England school serving the local community and the four local parishes of Christ Church Esher, Holy Trinity Claygate, All Saints Weston and St Christopher's Hinchley Wood. It has a pupil capacity of 420 and had a roll of 373 in the school census on 6 October 2019.

Structure, governance and management

Constitution

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

The governors are the trustees of Esher Church School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Esher Church School was incorporated on 19 December 2014 and obtained Academy status from 1 February 2015.

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.

Method of recruitment and appointment or election of governors

The members of the Academy Trust shall comprise the signatories to the Memorandum, the Chairman of the Governors, the vice-chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than 3 and not more than 16. The Academy Trust shall have the following Governors; no fewer than 7 and no more than 9 Governors appointed under Article 50, 2 Parent Governors appointed under Articles 53 to 58, 2 Staff Governors, appointed under Article 50A, and the Principal. The Academy may also have up to 2 Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Principal). The Academy Trust currently has two Co Vice-Chairmen.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be 4 periods, save that: this time limit shall not apply to the Principal or to the Incumbent; and a Staff Governor shall only hold office for so long as he continues to be employed by the Academy Trust. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of governors

During the period under review the Governors held 5 full governor body meetings. Induction for new Governors takes place per the school's documented induction process for new governors and is tailored to their individual experience and roles as appropriate.

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The structure of the school consists of three levels: the Governors, Leadership Team and Middle Leaders, who include subject leaders. The aim of the management structure is to devolve responsibility, maintain clear roles and processes and enable effective monitoring.

The Governors are responsible for setting and monitoring the strategic aims of the school and help to formulate and review the School Improvement Plan. The Governors agree the annual budget and monitor its implementation, are responsible for the recruitment and selection of senior staff and in addition look after the premises. The Governors also agree, maintain and communicate the framework of policies under which the school operates.

The Leadership Team encompasses the Head-teacher, Deputy Head-teacher, Business Manager (Chief Financial Officer), SENCo, Strategic Leader for Christian Distinctiveness and Key Stage Leaders. These leaders manage the day to day running of the school and implement the policies laid down by the Governors and report back to them. As a group, the Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although the appointment of senior staff will involve Governors.

Arrangements for setting pay and remuneration of key management personnel

Pay and Remuneration of our Senior Leadership Team is settled in accordance with our Pay and Appraisal policies and is part of an annual performance management cycle. Both the Teachers' Standards and The National Standards of Excellence for Headteachers inform the process. Annual appraisal objectives are set in accordance with our school priorities, outlined in our School Improvement Plan, together with continuous professional development considerations. The process is managed by a sub-group of the governing body and pay decisions are recommended to the school's Pay Committee for approval.

Related parties and other connected charities and organisations

Esher Church School is also part of the Esher, Cobham and Molesey Cluster Group, a working group of local schools which shares training and expertise. The group comprises primary schools from these areas and Esher High School. We also have a working agreement that pools our pension costs with Pyrford Church of England Primary School which reduces our LGPS costs significantly.

Objectives and activities

Objects and aims

Esher Church School is a mixed 4 to 11 primary school. Esher Church School provides a distinctly Christian environment in which each child is motivated to acquire skills for life, and to develop a moral code to foster a sense of care and responsibility for oneself and others. We ask all children, parents, carers and staff to respect this ethos and its importance to the whole school community. Whilst we are a Church of England school, we welcome children of other faiths and denominations, we aim to nurture children in their Christian faith, encourage those of other faiths and challenge those of no faith.

We are committed to working together with our children, parents, carers, local churches and other partners to improve the quality of learning and teaching and the breadth and depth of the curriculum we offer. The school's approach to teaching and learning is underpinned by our school's aims and values. Through effective teaching, the school achieves its aims of:

- Building a safe, happy, loving community
- Delivering an enriched curriculum that enables children to master academic skills and be ready to develop their creative, investigative and critical powers
- Caring for the well-being of staff, pupils and all members of our community

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

The main objective of the school is always to aim for the very best for the children and to offer them a stimulating and supportive learning environment where their talents and gifts are nurtured and developed within a strong Christian ethos.

The main priorities of the school during the period ended 31 August 2019, as set out in its 2018/2019 School Improvement Plan were to:

- To raise attainment in writing by the end of KS2
- To raise standards in reading and writing in EYFS, with a focus on raising attainment for boys.
- To ensure consistency of teacher assessment judgments across the school in writing
- To revise and implement feedback policy
- To continue to develop play space and positive play strategies.
- To re-align ECS with newly developed Vision Statement
- Evaluate the school against the revised SIAMs criteria and put necessary action plans in place
- Plan for the evolution of Christian Values day in line with school values

Public benefit

The Governors confirm that they have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Governing Body is responsible for determining the admission arrangements of the school and have agreed a Published Admission Number of 60 pupils per year group with the Local Authority. If the number of applications for admission into a year group exceeds 60, the Governors will apply the criteria, in the order set out in their Admissions Policy, which can be found together with the ecclesiastical parish boundary maps on the school's website.

Strategic report

Achievements and performance

In the summer of 2019 many of our children, once again, surpassed our expectations in terms of their academic progress and attainment.

Our Early Years Foundation Stage (EYFS) results exceeded the national average with 87% of children achieving a good level of development.

88% of Year 1 pupils met the expected standard in phonics.

Key Stage 1, 85% of the children met the government's expected standard in Reading, 85% of children met the expected standard in Mathematics, and 76% of children gained the expected standard in Writing. All of these results were above the national average figures. Children achieving greater depth standards, particularly in reading and maths were well above the national average achieving 59% and 44% respectively

At Key Stage 2, 77% of pupils met the expected standard in Reading, 81% met the expected standard in Grammar, Punctuation & Spelling (GPS), 82% met the expected standard in Mathematics and 72% met the expected standard in Writing.

In terms of our disadvantaged children, at Key Stage 2, out of a cohort of 4, all achieved the expected standard in reading with one achieving the higher standard, and 3 out of 4 achieved the expected standard in writing, maths and grammar, punctuation and spelling.

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The school uses the judgement areas set out in Ofsted's Common Inspection Framework to evaluate its performance:

- Effectiveness of leadership and management
- The quality of teaching, learning and assessment
- Personal development, behaviour and welfare
- Outcomes for children and learners
- Effectiveness of early years provision

Going concern

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

Financial review

Most of the Academy's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2019, total expenditure of £1,912k (2018: £1,876k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £56k (2018: £86k expenditure over income).

At 31 August 2019 the net book value of fixed assets was £111k (2018: £31k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Surrey County Council Pension Fund, in which the Academy participates, showed that the school's share of the deficit is £657k (2018: £421k) at 31 August 2019.

Reserves policy

The Governors 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 reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £147k (2018: £144k).

The reason for this is to 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. The academy's current level of free reserves of £175k (2018: £125k) (total funds less the amount held in fixed assets and restricted funds), the Governors are expecting to utilise some of the reserves in the coming year, as funding reduces and we see an increase in the number of children requiring intervention.

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial Position

The Academy held fund balances at 31 August 2019 of £(371)k (2018: £(265)k) comprising £(546)k (2018: £(390)k) of restricted funds and £175k (2018: £125k) of unrestricted general funds. Of the restricted funds, £111k (2018: £31k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £657k (2018: £421k) in deficit.

Principal risks and uncertainties

The principal risks and uncertainties that Esher Church School faces are mitigated by the risk management process that the academy trust has in place.

Financial and risk management objectives and policies

The main financial risks which Esher Church School is exposed to, taking account of the mitigations in place, relate to the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £657k (2018: £421k).

Financial and risk management objectives and policies

The Governors consider the main risks and uncertainties facing the Academy to be:

- The impact on funding arising from a change in pupil numbers on roll.
- The impact of increased pupil welfare needs on funding and resources

The Finance Committee monitor on a regular basis the finances of the school.

The Governors review the merits of joining a MAT periodically in order to ensure that the best interests of Esher Church School and its pupils are served. For the next academic year they have decided to remain as a Single Academy Trust, but may, in the future, consider either creating or joining a Multi Academy Trust.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The school has a good understanding of its strengths and areas for development based on the analysis of performance and financial data and the monitoring of its teaching and learning. The school also makes good use of external validation and moderation to secure its judgement on the quality of provision and subsequent outcomes.

Our strategic direction is shaped by our Vision:

To be a safe, happy, loving community where excellent teaching inspires children to learn and explore, care for each other and believe that they can make a difference.

Our priorities over the next year are set out in our School Improvement Plan and include:

- Raising standards in writing across the school
- Refining our assessment systems to ensure effective teaching
- Reviewing our curriculum in foundation subjects
- Supporting the wellbeing of all our staff
- Ensuring that all feedback is constructive and that children have an opportunity to respond to it
- Planning further infrastructure development including facilities to support our local community

Auditor

In so far as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 06 December 2019 and signed on its behalf by:

B Holmes

Chair

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that Esher Church School 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 governors has delegated the day-to-day responsibility to the principal, 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 Esher Church School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

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

Governors	Meetings attended	Out of possible
S Mohamed (Resigned 3 October 2018)	0	1
C Bell (Headteacher and Accounting Officer)	4	4
A de la Touche	0	4
B Holmes (Chair)	3	4
C O'Brien (Resigned 3 August 2019)	4	4
T Robinson Smith (Resigned 1 February 2019)	1	4
P Stanfield	3	4
E Morris (Resigned 12 May 2019)	3	3
G Harper	3	4
M Hall (Resigned 12 May 2019)	3	3
R Webb	3	4
P Ferreira- Lay	4	4
S Valambhia (Staff governor)	3	4
N Messiha (Staff governor)	2	4
Mr R Lonnon (Appointed 3 October 2018)	3	4
Mr A Philips (Appointed 13 May 2019)	1	1

There were no significant changes to the composition of the board of trustees. The work of the trustees is delegated to four sub committees namely Finance, Learning & Teaching, Partnerships and Pupil Care.

The finance and premises committee is a sub-committee of the main board of governors. Its purpose is to:

The remit of the Finance Committee is to ensure the adequate provision of assets and infrastructure from the resources available, to support the successful teaching and learning within the school. Membership of the Finance Committee for the year comprised four trustees, the Head Teacher, the Chair of the Governing Body. The School Business Manager is a co-opted member of the committee.

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
C Bell (Headteacher and Accounting Officer)	6	6
A de la Touche	0	6
B Holmes (Chair)	6	6
P Stanfield	4	6
G Harper	6	6
R Webb	0	6
N Messiha (Staff governor)	5	6
Mr R Lonnon (Appointed 3 October 2018)	5	6

Review of value for money

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

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

- Reviewing staff and leadership structures to make significant savings
- Securing external funding stream for capital improvements and resourcing
- Ensuring LSA support is used effectively to raise attainment of vulnerable children
- Engaging with other schools in procuring staff training opportunities
- Improving standards in writing by organising facilitated moderation across local schools

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Esher Church School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Wilkins Kennedy Audit Services, to complete the internal audit function. Wilkins Kennedy Audit Service's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

On a quarterly basis, the auditor reports to the board of governors through the finance and premises committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

Wilkins Kennedy Audit Services has delivered their schedule of work as planned, and no material control issues arose as a result of their work.

Review of effectiveness

As accounting officer the principal 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 internal auditor;
- the work of the external auditor;
- the work of other external advisors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

Approved by order of the board of governors on 06 December 2019 and signed on its behalf by:

C Bell
Headteacher and Accounting Officer

B Holmes
Chair

ESHER CHURCH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2019*

As accounting officer of Esher Church School I have considered my responsibility to notify the academy trust board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

During the year a number of items were purchased on the school's charge card however adequate receipts and invoices have not been kept meaning it is difficult to prove that the transactions were for a valid school expense and were appropriately authorised.

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

C Bell
Accounting Officer

06 December 2019

ESHER CHURCH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The governors (who act as trustees for Esher Church School and are also the directors of Esher Church School for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the governors are required to:

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

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

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

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

Approved by order of the members of the board of governors on 06 December 2019 and signed on its behalf by:

B Holmes
Chair

ESHER CHURCH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESHER CHURCH SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information, which comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

ESHER CHURCH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESHER CHURCH SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

ESHER CHURCH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESHER CHURCH SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

**Catherine Cooper (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services**

17 December 2019

Statutory Auditor

Greytown House
221-227 High Street
Orpington
BR6 ONZ

ESHER CHURCH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ESHER CHURCH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 1 October 2018 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 Esher Church School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Esher Church School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Esher Church School's funding agreement with the Secretary of State for Education dated 26 January 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

ESHER CHURCH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ESHER CHURCH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, except for the matters set out in the statement of regularity, propriety and compliance on page 13, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
BR6 ONZ

Dated: 17 December 2019

ESHER CHURCH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	145	45	109	299	191
Charitable activities:						
- Funding for educational operations	4	-	1,532	-	1,532	1,445
Other trading activities	5	137	-	-	137	154
Total		<u>282</u>	<u>1,577</u>	<u>109</u>	<u>1,968</u>	<u>1,790</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	101	1,786	25	1,912	1,876
Total	6	<u>101</u>	<u>1,786</u>	<u>25</u>	<u>1,912</u>	<u>1,876</u>
Net income/(expenditure)		181	(209)	84	56	(86)
Transfers between funds	17	(131)	135	(4)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(162)	-	(162)	83
Net movement in funds		50	(236)	80	(106)	(3)
Reconciliation of funds						
Total funds brought forward		125	(421)	31	(265)	(262)
Total funds carried forward		<u>175</u>	<u>(657)</u>	<u>111</u>	<u>(371)</u>	<u>(265)</u>

ESHER CHURCH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds £'000	General £'000	Fixed asset £'000	2018 £'000
Income and endowments from:					
Donations and capital grants	3	140	42	9	191
Charitable activities:					
- Funding for educational operations	4	-	1,445	-	1,445
Other trading activities	5	154	-	-	154
Total		294	1,487	9	1,790
Expenditure on:					
Charitable activities:					
- Educational operations	7	96	1,753	27	1,876
Total	6	96	1,753	27	1,876
Net income/(expenditure)		198	(266)	(18)	(86)
Transfers between funds	17	(195)	200	(5)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	83	-	83
Net movement in funds		3	17	(23)	(3)
Reconciliation of funds					
Total funds brought forward		122	(438)	54	(262)
Total funds carried forward		125	(421)	31	(265)

ESHER CHURCH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		111		31
Current assets					
Stocks	13	11		-	
Debtors	14	135		39	
Cash at bank and in hand		262		231	
		<u>408</u>		<u>270</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(233)		(145)	
		<u></u>		<u></u>	
Net current assets			175		125
			<u></u>		<u></u>
Net assets excluding pension liability			286		156
Defined benefit pension scheme liability	19		(657)		(421)
			<u></u>		<u></u>
Total net liabilities			(371)		(265)
			<u></u>		<u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			111		31
- Pension reserve			(657)		(421)
			<u></u>		<u></u>
Total restricted funds			(546)		(390)
Unrestricted income funds	17		175		125
			<u></u>		<u></u>
Total funds			(371)		(265)
			<u></u>		<u></u>

The financial statements on pages 20 to 42 were approved by the governors and authorised for issue on 06 December 2019 and are signed on their behalf by:

B Holmes
Chair

Company Number 09362801

ESHER CHURCH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		26		(8)
Cash flows from investing activities					
Capital grants from DfE Group		25		9	
Capital funding received from sponsors and others		84		-	
Purchase of tangible fixed assets		(104)		(4)	
Net cash provided by investing activities			5		5
Net increase/(decrease) in cash and cash equivalents in the reporting period			31		(3)
Cash and cash equivalents at beginning of the year			231		234
Cash and cash equivalents at end of the year			262		231

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Esher Church School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

Esher Church School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

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.

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £2,000 or group of the same assets amounting to £3,000 are written off in the year of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Academy Trust occupies land and buildings at Milbourne Lane, KT10 9DU, which are owned by the Trustees of the Church of England Archdiocese. The Academy Trust occupies the land and buildings under a licence on the same basis as when it was a maintained school. The continuing permission of the Diocesan Trustees is pursuant to and subject to the Trustees' charitable objects and is part of the Church of England's commitment to provide state funded education in partnership with the state. Under the terms of an agreement between the Secretary of State and the Academy Trust the Diocesan Trustees will give the Academy Trust not less than two years' notice to terminate the occupation of the land and buildings. The Governors have concluded that the value of land and buildings occupied by the Academy Trust should not be recognised in the balance sheet as the Church of England Archdiocese has the right to consent to works, including capital works. The Governors have therefore concluded that the academy Trust does not have control as defined by the Academies Accounts Direction 2018 to 2019.

Moreover, the Governors have decided not to account for the Academy Trust's occupancy of the land and buildings by means of a notional annual rental charge in the accounts, offset by income from a notional annual donation or gift of equivalent value from the Diocesan Trustees as owners of the freehold interest. The Governors have been unable to identify any objective method for calculating such a notional rent.

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

Computer equipment	33.3%
Fixtures, fittings & equipment	25%

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy 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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

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 reassessed 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 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	25	25	9
Other donations	145	129	274	182
	<u>145</u>	<u>154</u>	<u>299</u>	<u>191</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	1,351	1,351	1,302
Other DfE group grants	-	135	135	116
	<u>-</u>	<u>1,486</u>	<u>1,486</u>	<u>1,418</u>
Other government grants				
Local authority grants	-	46	46	27
	<u>-</u>	<u>46</u>	<u>46</u>	<u>27</u>
Total funding	<u>-</u>	<u>1,532</u>	<u>1,532</u>	<u>1,445</u>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	35	-	35	30
Other income	102	-	102	124
	<u>137</u>	<u>-</u>	<u>137</u>	<u>154</u>

6 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2019 £'000	Total 2018 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	1,152	-	192	1,344	1,305
- Allocated support costs	187	178	203	568	571
	<u>1,339</u>	<u>178</u>	<u>395</u>	<u>1,912</u>	<u>1,876</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	7	7
- Other services	4	5
Operating lease rentals	7	7
Depreciation of tangible fixed assets	25	27
Net interest on defined benefit pension liability	13	12
	<u>53</u>	<u>58</u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	101	1,243	1,344	1,305
Support costs				
Educational operations	-	568	568	571
	<u>101</u>	<u>1,811</u>	<u>1,912</u>	<u>1,876</u>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities		(Continued)	
	2019	2018	
	£'000	£'000	
Analysis of support costs			
Support staff costs	188	181	
Depreciation	25	27	
Premises costs	153	192	
Other support costs	191	159	
Governance costs	11	12	
	<u>568</u>	<u>571</u>	
8 Governance costs			
	Total	Total	
	2019	2018	
	£'000	£'000	
All from restricted funds:			
Amounts included in support costs			
Auditor's remuneration			
- Audit of financial statements	7	7	
- Other audit costs	4	5	
	<u>11</u>	<u>12</u>	
9 Staff			
Staff costs			
Staff costs during the year were:			
	2019	2018	
	£'000	£'000	
Wages and salaries	1,032	989	
Social security costs	80	80	
Pension costs	227	214	
	<u>1,339</u>	<u>1,283</u>	
Amounts paid to employees	1,339	1,283	
	<u>1,339</u>	<u>1,283</u>	
Amounts paid to staff	1,339	1,283	
Staff development and other staff costs	9	7	
	<u>1,348</u>	<u>1,290</u>	
Total staff expenditure	<u>1,348</u>	<u>1,290</u>	

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	15	18
Administration and support	25	27
Management	9	9
	<u>49</u>	<u>54</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the staff governors 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 £490k (2018: £486k).

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

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

C Bell (principal):

- Remuneration £70,000 - £75,000 (2018: £65,000 - £70,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

S Valambhia (staff) (2018: 11 months):

- Remuneration £25,000 - £30,000 (2018: £20,000 - £25,000)
- Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

N Messiah (staff) (2018: 11 months):

- Remuneration £10,000 - £15,000 (2018: £10,000 - £15,000)
- Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

During the year, £243 (2018: £1,089) were reimbursed or paid directly to one (2018: two) governors for staff wellbeing, staff hospitality and school equipment.

Other related party transactions involving the governors are set out within the related parties note.

11 Governors and officers insurance

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

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 September 2018	62	55	117
Additions	14	90	104
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	76	145	221
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 September 2018	44	42	86
Charge for the year	10	14	24
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	54	56	110
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 August 2019	22	89	111
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	18	13	31
	<u> </u>	<u> </u>	<u> </u>

13 Stocks

	2019 £'000	2018 £'000
School uniform	11	-
	<u> </u>	<u> </u>

14 Debtors

	2019 £'000	2018 £'000
VAT recoverable	30	13
Other debtors	6	3
Prepayments and accrued income	99	23
	<u> </u>	<u> </u>
	135	39
	<u> </u>	<u> </u>

15 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	49	-
Other taxation and social security	21	20
Other creditors	20	23
Accruals and deferred income	143	102
	<u> </u>	<u> </u>
	233	145
	<u> </u>	<u> </u>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	44	44
		<u>44</u>	<u>44</u>
	Deferred income at 1 September 2018	44	44
	Released from previous years	(44)	(44)
	Resources deferred in the year	44	44
		<u>44</u>	<u>44</u>
	Deferred income at 31 August 2019	<u>44</u>	<u>44</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for Free School Meals in term one of the 2019/2020 school year.

17	Funds			
	Balance at		Gains,	Balance at
	1 September	Income	losses and	31 August
	2018	Expenditure	transfers	2019
	£'000	£'000	£'000	£'000
	Restricted general funds			
	General Annual Grant (GAG)	1,351	(1,486)	135
	Other DfE / ESFA grants	135	(135)	-
	Other government grants	46	(46)	-
	Other restricted funds	45	(45)	-
	Pension reserve	-	(74)	(162)
		<u>1,577</u>	<u>(1,786)</u>	<u>(27)</u>
		<u>1,577</u>	<u>(1,786)</u>	<u>(657)</u>
	Restricted fixed asset funds			
	DfE group capital grants	25	(1)	(24)
	ECSA	24	(1)	(23)
	CIL funding	60	-	(60)
	General fixed assets	31	(23)	103
		<u>109</u>	<u>(25)</u>	<u>(4)</u>
		<u>109</u>	<u>(25)</u>	<u>111</u>
	Total restricted funds	<u>1,686</u>	<u>(1,811)</u>	<u>(31)</u>
		<u>1,686</u>	<u>(1,811)</u>	<u>(546)</u>
	Unrestricted funds			
	General funds	125	(101)	(131)
		<u>125</u>	<u>(101)</u>	<u>(131)</u>
	Total funds	<u>1,968</u>	<u>(1,912)</u>	<u>(162)</u>
		<u>1,968</u>	<u>(1,912)</u>	<u>(371)</u>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy. Under the amended funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants: This includes the pupil premium, sports grant, rates relief, Teachers Pay Grant and Universal Free School Meals.

Other government grants: This includes SEN funding received from the Local Authority.

Other restricted funds : This includes restricted donations from the Esher Church School Association for specific equipment.

DfE/ESFA capital grants: this includes the devolved formula capital grant.

The transfer of funds relate to the additions to fixed assets during the year and to cover the additional costs over and above those covered by GAG funding.

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,302	(1,502)	200	-
Other DfE / ESFA grants	-	116	(116)	-	-
Other government grants	-	27	(27)	-	-
Other restricted funds	-	42	(42)	-	-
Pension reserve	(438)	-	(66)	83	(421)
	<u>(438)</u>	<u>1,487</u>	<u>(1,753)</u>	<u>283</u>	<u>(421)</u>
Restricted fixed asset funds					
DfE group capital grants	-	9	-	(9)	-
General fixed assets	54	-	(27)	4	31
	<u>54</u>	<u>9</u>	<u>(27)</u>	<u>(5)</u>	<u>31</u>
Total restricted funds	<u>(384)</u>	<u>1,496</u>	<u>(1,780)</u>	<u>278</u>	<u>(390)</u>
Unrestricted funds					
General funds	122	294	(96)	(195)	125
Total funds	<u>(262)</u>	<u>1,790</u>	<u>(1,876)</u>	<u>83</u>	<u>(265)</u>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	111	111
Current assets	408	-	-	408
Creditors falling due within one year	(233)	-	-	(233)
Defined benefit pension liability	-	(657)	-	(657)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	175	(657)	111	(371)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	31	31
Current assets	125	145	-	270
Creditors falling due within one year	-	(145)	-	(145)
Defined benefit pension liability	-	(421)	-	(421)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	125	(421)	31	(265)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £21k were payable to the schemes at 31 August 2019 (2018: £21k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

The employer's pension costs paid to the TPS in the period amounted to £114k (2018: £110k).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5% to 12.8% for employees. The estimated value of the employer's contributions for the forthcoming year is £52,000.

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

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.

Total contributions made	2019	2018
	£'000	£'000
Employer's contributions	52	50
Employees' contributions	15	15
	<u> </u>	<u> </u>
Total contributions	67	65
	<u> </u>	<u> </u>

Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
	<u> </u>	<u> </u>

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
Retiring today		
- Males	21.6	22.5
- Females	23.6	24.6
Retiring in 20 years		
- Males	22.5	24.1
- Females	25	26.4
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019	2018
0.5% decrease in discount rate	161	117
0.5% increase in salary rate	24	20
0.5% increase in pension rate	134	95
	<u> </u>	<u> </u>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

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

	2019	2018
	Fair value	Fair value
	£'000	£'000
Equities	457	390
Bonds	116	92
Cash	19	22
Property	51	37
	<hr/>	<hr/>
Total market value of assets	643	541
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £37,000 (2018: £26,000).

Amount recognised in the Statement of Financial Activities

	2019	2018
	£'000	£'000
Current service cost	108	104
Past service cost	5	-
Interest income	(16)	(12)
Interest cost	29	24
	<hr/>	<hr/>
Total operating charge	126	116
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of defined benefit obligations

	2019
	£'000
At 1 September 2018	962
Current service cost	108
Interest cost	29
Employee contributions	15
Actuarial loss/(gain)	183
Benefits paid	(2)
Past service cost	5
	<hr/>
At 31 August 2019	1,300
	<hr/> <hr/>

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2019 £'000
At 1 September 2018	541
Interest income	16
Actuarial gain	21
Employer contributions	52
Employee contributions	15
Benefits paid	(2)
At 31 August 2019	<u>643</u>

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	56	(86)
Adjusted for:		
Capital grants from DfE and other capital income	(109)	(9)
Defined benefit pension costs less contributions payable	61	54
Defined benefit pension scheme finance cost	13	12
Depreciation of tangible fixed assets	25	27
(Increase) in stocks	(11)	-
(Increase)/decrease in debtors	(97)	15
Increase/(decrease) in creditors	88	(21)
Net cash provided by/(used in) operating activities	<u>26</u>	<u>(8)</u>

21 Contingent liabilities

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

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

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

ESHER CHURCH SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

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

	2019 £'000	2018 £'000
Amounts due within one year	3	3
Amounts due in two and five years	-	3
	<u>3</u>	<u>6</u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

Expenditure related party transactions

Expenditure Related Party Transaction

M de la Touche, spouse of A de la Touche, a governor, and D Collier, spouse of Revd Dr S Collier, also a governor, are employed by the academy trust as teaching assistants. Both appointment was made in open competition and the governors were not involved in the decision making process regarding appointment. Both teaching assistants are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to the governors.

Also during the year, the school received services from Mr L McLennan, spouse of the deputy headteacher, Mrs C McLennan totalling £368 (2018: £nil). There were no amounts outstanding at 31 August 2019 (2018: £nil).

24 Members' liability

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