

Company Registration No. 09362801 (England and Wales)

ESHER CHURCH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

ESHER CHURCH SCHOOL

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ESHER CHURCH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Guildford Diocese Educational Trust
A De La Touche
The Incumbent of Esher, Christ Church
B Holmes
Gerard Harper

Governors

C Bell (Headteacher and Accounting Officer)
A de la Touche
B Holmes (Chair)
P Stanfield
G Harper
R Webb
P Ferreira- Lay (Resigned 20 March 2020)
S Valambhia (Staff governor)
N Messiha (Staff governor)
Mr R Lonnon
Mr A Philips
J Larsson (Appointed 6 December 2019)
H Matthews (Appointed 1 January 2020)
D Whymark (Appointed 1 February 2020)

Senior management team

C Bell	- Headteacher/Accounting Officer
C McLennan	- Deputy headteacher
Helen Vernon	- School Business Manager/Chief Financial Officer
Elaine Brindley	- Phase 1 Lead
Vic Cotter	- Phase 2 Lead
Carol Skingle	- Phase 3 Lead
Pam Bal	- SENCo

Company registration number

09362801 (England and Wales)

Registered office

Esher Church School
Milbourne Lane
Esher
Surrey
KT10 9DU
UK

Independent auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

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 2020

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. 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 372 in the school census on 1 October 2020.

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 4 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 2020

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 Headteacher, Deputy Headteacher, School Business Manager (Chief Financial Officer), SENCo, and Phase 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 2020

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 2020, as set out in its 2019/2020 School Improvement Plan were to:

- To raise profile of reading across the school
- To further develop teaching practice and ensure our broad and ambitious curriculum is effectively sequenced
- To further improve writing outcomes
- To ensure children with SEND are identified early and given timely support to meet their needs effectively
- To embed systems and processes to manage staff workload effectively
- To further develop the Christian ethos of the school.

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

Between March 23rd and June 2nd the school was closed to all but children of critical workers and vulnerable children. From June 2nd we were able to welcome back the majority of children in Years Reception, 1 and 6 as well as providing some sessions for children in Year 5. Throughout periods when the children were out of school the teachers aimed, as far as possible, to continue teaching the curriculum as they would have in school to ensure that children continued to be presented with new and challenging learning tasks with plenty of opportunities to consolidate prior learning covering the majority of the curriculum. We were also able to offer an intervention programme for our most vulnerable learners.

In the first half of the autumn term we carried out formal assessments in addition to our usual assessment cycle in order to help us to identify the most effective way to direct the Covid catch up funding. We have found an inconsistent pattern of positive and negative impact of lockdown closure across the school – the opportunity the children have had to make progress being dependent on their parents'/carers' capacity to support them with home learning. The extra focus given to our vulnerable learners has paid dividends though, with this group showing expected progress.

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020 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 2019), 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 2020, total expenditure of £1,903k (2019: £1,912k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfers restricted fixed asset funds) was £68k (2019: £28k).

As with all schools, we have faced and continue to face additional costs this year as a result of the Covid 19 pandemic. The main contributing factors in this are:

- Reduction in parental income, especially for breakfast and after school club as we were obliged to continue to pay staff who normally work in these clubs.
- Reduction in lettings income. We have regular lettings for areas of our building which stopped during Covid.
- Increase in supply staff requirements due to staff being absent to shield or while awaiting test results.
- Upgrade of IT systems to allow online teaching to take place effectively.

At 31 August 2020 the net book value of fixed assets was £132k (2019: £111k). 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 £802k (2019: £657k) at 31 August 2019.

ESHER CHURCH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 £146k (2019: £147k).

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 £164k (2019: £175k) (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 SEND support.

The Academy held fund balances at 31 August 2020 of £(506)k (2019: £(371)k) comprising £(670)k (2019: £(546)k) of restricted funds and £164k (2019: £175k) of unrestricted general funds. Of the restricted funds, £142k (2019: £111k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £802k (2019: £657k) in deficit.

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.

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 £802k (2019: £657k).

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
- Risk that the In year Budget will be in deficit and reserves will be needed for the normal running of the school rather than for specific projects they have been assigned to
- Risk that numbers on roll in reception will high enough to require 2 teachers but not full

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 2020

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:

- Improving Progress in Reading, Writing & Maths
- Building expertise of Subject Leaders - Ensuring every lesson is an excellent lesson
- Development of curriculum led financial planning processes
- Implementation of robust marketing plan to grow pupil numbers
- Building expertise and resource to ensure the needs of SEND pupils are met effectively

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.

On 7 September 2020, Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and, accordingly, they have signed their report in their new name.

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

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 04 December 2020 and signed on its behalf by:

B Holmes
Chair

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

As governors, we have reviewed and taken account of the guidance in DfE's governance handbook and competency framework for governance.

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. The accounting officer is 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
C Bell (Headteacher and Accounting Officer)	3	4
A de la Touche	4	4
B Holmes (Chair)	4	4
P Stanfield	4	4
G Harper	4	4
R Webb	2	4
P Ferreira- Lay (Resigned 20 March 2020)	0	1
S Valambhia (Staff governor)	1	4
N Messiha (Staff governor)	1	4
Mr R Lonnon	4	4
Mr A Philips	4	4
J Larsson (Appointed 6 December 2019)	1	2
H Matthews (Appointed 1 January 2020)	2	2
D Whymark (Appointed 1 February 2020)	0	2

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

The trust has appointed a finance committee to which the board delegates financial scrutiny and oversight. The Finance Committee has met six times during the year.

The finance is a sub-committee of the main board of governors.

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 2020

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
C Bell (Headteacher and Accounting Officer)	8	8
A de la Touche	2	2
B Holmes (Chair)	8	8
P Stanfield	7	8
G Harper	7	8
N Messiha (Staff governor)	6	8
Mr R Lonnon	7	8
J Larsson (Appointed 6 December 2019)	4	5

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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 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;
- 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. In previous years, the Governors have appointed Azets Audit Services, to complete the internal audit function in March and June, giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The checks carried out have included:

- 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

Due to the national lockdown, Azets Audit Services were unable to deliver their schedule of work as planned this year. In June the school discussed with them the possibility of remote checks on:

- Procurement and tenders (how are invoices being authorised during lockdown; how do they ensure they don't pay over the odds during lockdown)
- New Payroll leavers (have proper procedures been followed during lockdown)
- Management accounts (are they still being prepared)
- Compliance and governance
- Any areas the Trustees/ Governors deem to be high risk
-

Governors felt at the time that as all previous audits had been clean, we should not conduct a remote internal audit when there was the possibility that it could be done properly later in the year, especially as there were extenuating circumstances at the time.

However, it was felt that some financial oversight should be conducted and the school used the services of the Director of Operations and Finance from Athena Schools Trust to conduct a financial review of the school. The areas looked at included:

- Financial Management Reports from throughout this academic year
- Minutes and actions from Full Governing Body and Finance Committee meetings
- A copy of the proposed budget for 2020/21 and 3 year plans
- Benchmarking against other local schools

ESHER CHURCH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 other external advisors (Director of Operations & Finance from Athena Schools Trust);
- the work of the internal auditor in previous years;
- 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.

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 04 December 2020 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 2020*

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 2019.

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 2019.

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

04 December 2020

ESHER CHURCH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 accounts; and
- prepare the accounts 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 accounts 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 04 December 2020 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 2020

Opinion

We have audited the accounts of Esher Church School for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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 accounts' 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 accounts 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 accounts is not appropriate; or
- the governors have not disclosed in the accounts 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 accounts 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 accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 2020

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 accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report has 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 accounts 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 accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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 2020

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 Azets Audit Services
Chartered Accountants
Statutory Auditor**

16 December 2020

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

ESHER CHURCH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 29 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 16 December 2020

ESHER CHURCH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	46	32	8	86	299
Charitable activities:						
- Funding for educational operations	4	-	1,617	-	1,617	1,532
Other trading activities	5	103	-	-	103	137
Total		<u>149</u>	<u>1,649</u>	<u>8</u>	<u>1,806</u>	<u>1,968</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	43	1,823	37	1,903	1,912
Total	6	<u>43</u>	<u>1,823</u>	<u>37</u>	<u>1,903</u>	<u>1,912</u>
Net income/(expenditure)		106	(174)	(29)	(97)	56
Transfers between funds	17	(117)	67	50	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(38)	-	(38)	(162)
Net movement in funds		<u>(11)</u>	<u>(145)</u>	<u>21</u>	<u>(135)</u>	<u>(106)</u>
Reconciliation of funds						
Total funds brought forward		<u>175</u>	<u>(657)</u>	<u>111</u>	<u>(371)</u>	<u>(265)</u>
Total funds carried forward		<u>164</u>	<u>(802)</u>	<u>132</u>	<u>(506)</u>	<u>(371)</u>

ESHER CHURCH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

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

ESHER CHURCH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		132		111
Current assets					
Stocks	13	8		11	
Debtors	14	50		135	
Cash at bank and in hand		288		262	
		<u>346</u>		<u>408</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(182)		(233)	
Net current assets			164		175
Net assets excluding pension liability			296		286
Defined benefit pension scheme liability	19		(802)		(657)
Total net liabilities			<u>(506)</u>		<u>(371)</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			132		111
- Pension reserve			(802)		(657)
Total restricted funds			<u>(670)</u>		<u>(546)</u>
Unrestricted income funds	17		164		175
Total funds			<u>(506)</u>		<u>(371)</u>

The accounts on pages 20 to 42 were approved by the governors and authorised for issue on 04 December 2020 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 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		76		26
Cash flows from investing activities					
Capital grants from DfE Group		8		25	
Capital funding received from sponsors and others		-		84	
Purchase of tangible fixed assets		(58)		(104)	
Net cash (used in)/provided by investing activities			(50)		5
Net increase in cash and cash equivalents in the reporting period			26		31
Cash and cash equivalents at beginning of the year			262		231
Cash and cash equivalents at end of the year			288		262

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie 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 accounts 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 accounts.

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.

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.

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020.

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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 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 based on 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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 net income or expenditure 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020 £'000	Total 2019 £'000
Capital grants	-	8	8	25
Other donations	46	32	78	274
	<u>46</u>	<u>40</u>	<u>86</u>	<u>299</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	1,367	1,367	1,351
Other DfE group grants	-	184	184	135
	<u>-</u>	<u>1,551</u>	<u>1,551</u>	<u>1,486</u>
Other government grants				
Local authority grants	-	66	66	46
	<u>-</u>	<u>66</u>	<u>66</u>	<u>46</u>
Total funding	<u>-</u>	<u>1,617</u>	<u>1,617</u>	<u>1,532</u>

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	24	-	24	35
Other income	79	-	79	102
	<u>103</u>	<u>-</u>	<u>103</u>	<u>137</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	1,214	-	138	1,352	1,344
- Allocated support costs	249	165	137	551	568
	<u>1,463</u>	<u>165</u>	<u>275</u>	<u>1,903</u>	<u>1,912</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	7	7
- Other services	3	4
Operating lease rentals	6	7
Depreciation of tangible fixed assets	37	25
Net interest on defined benefit pension liability	13	13
	<u>66</u>	<u>56</u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	43	1,309	1,352	1,344
Support costs				
Educational operations	-	551	551	568
	<u>43</u>	<u>1,860</u>	<u>1,903</u>	<u>1,912</u>

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities		(Continued)	
	2020	2019	
	£'000	£'000	
Analysis of support costs			
Support staff costs	250	188	
Depreciation	37	25	
Technology costs	1	-	
Premises costs	128	153	
Legal costs	1	2	
Other support costs	124	189	
Governance costs	10	11	
	<u>551</u>	<u>568</u>	
	<u><u>551</u></u>	<u><u>568</u></u>	
8 Governance costs		Total	Total
All from restricted funds:		2020	2019
		£'000	£'000
Amounts included in support costs			
Legal costs	1	2	
Auditor's remuneration			
- Audit of financial statements	7	7	
- Other audit costs	3	4	
	<u>11</u>	<u>13</u>	
	<u><u>11</u></u>	<u><u>13</u></u>	
9 Staff			
Staff costs			
Staff costs during the year were:			
	2020	2019	
	£'000	£'000	
Wages and salaries	1,060	1,032	
Social security costs	86	80	
Pension costs	317	227	
	<u>1,463</u>	<u>1,339</u>	
Staff costs - employees	1,463	1,339	
	<u>1,463</u>	<u>1,339</u>	
Staff development and other staff costs	11	9	
	<u>1,474</u>	<u>1,348</u>	
Total staff expenditure	<u><u>1,474</u></u>	<u><u>1,348</u></u>	

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff (Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	12	15
Administration and support	22	25
Management	7	9
	<u>41</u>	<u>49</u>

Higher paid staff

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

	2020 Number	2019 Number
£70,001 - £80,000	1	1

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 £453k (2019: £490k).

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 (2019: £70,000 - £75,000)
- Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000)

S Valambhia (staff):

- Remuneration £25,000 - £30,000 (2019: £25,000 - £30,000)
- Employer's pension contributions £5,000 - £10,000 (2019: £0 - £5,000)

N Messiah (staff):

- Remuneration £15,000 - £20,000 (2019: £10,000 - £15,000)
- Employer's pension contributions £0 - £5,000 (2019: £0 - £5,000)

During the year, £473 (2019: £243) were reimbursed or paid directly to one (2019: one) governors for staff wellbeing, staff hospitality and school equipment.

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

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Insurance for governors and officers

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.

12 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 September 2019	76	145	221
Additions	4	54	58
	—	—	—
At 31 August 2020	80	199	279
	—	—	—
Depreciation			
At 1 September 2019	54	56	110
Charge for the year	13	24	37
	—	—	—
At 31 August 2020	67	80	147
	—	—	—
Net book value			
At 31 August 2020	13	119	132
	—	—	—
At 31 August 2019	22	89	111
	—	—	—

13 Stocks

	2020 £'000	2019 £'000
School uniform	8	11
	—	—

14 Debtors

	2020 £'000	2019 £'000
VAT recoverable	16	30
Other debtors	4	6
Prepayments and accrued income	30	99
	—	—
	50	135
	—	—

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	50	49
Other taxation and social security	21	21
Other creditors	26	20
Accruals and deferred income	85	143
	<u>182</u>	<u>233</u>
	<u><u>182</u></u>	<u><u>233</u></u>

16 Deferred income

	2020	2019
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	47	44
	<u>47</u>	<u>44</u>
Deferred income at 1 September 2019	44	44
Released from previous years	(44)	(44)
Resources deferred in the year	47	44
	<u>47</u>	<u>44</u>
Deferred income at 31 August 2020	<u><u>47</u></u>	<u><u>44</u></u>

At the balance sheet date, the Academy Trust was holding funds received in advance for Free School Meals in term one of the 2020/2021 school year.

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,367	(1,434)	67	-
Other DfE / ESFA grants	-	184	(184)	-	-
Other government grants	-	66	(66)	-	-
Other restricted funds	-	32	(32)	-	-
Pension reserve	(657)	-	(107)	(38)	(802)
	<u>(657)</u>	<u>1,649</u>	<u>(1,823)</u>	<u>29</u>	<u>(802)</u>
Restricted fixed asset funds					
DfE group capital grants	-	8	-	(8)	-
General fixed assets	111	-	(37)	58	132
	<u>111</u>	<u>8</u>	<u>(37)</u>	<u>50</u>	<u>132</u>
Total restricted funds	<u>(546)</u>	<u>1,657</u>	<u>(1,860)</u>	<u>79</u>	<u>(670)</u>
Unrestricted funds					
General funds	175	149	(43)	(117)	164
	<u>175</u>	<u>149</u>	<u>(43)</u>	<u>(117)</u>	<u>164</u>
Total funds	<u>(371)</u>	<u>1,806</u>	<u>(1,903)</u>	<u>(38)</u>	<u>(506)</u>

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 2020.

Other DfE/ESFA grants: This includes the pupil premium, sports grant, rates relief, Teachers Pay and Pension 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.

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'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	(421)	-	(74)	(162)	(657)
	<u>(421)</u>	<u>1,577</u>	<u>(1,786)</u>	<u>(27)</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	111
	<u>31</u>	<u>109</u>	<u>(25)</u>	<u>(4)</u>	<u>111</u>
Total restricted funds	<u>(390)</u>	<u>1,686</u>	<u>(1,811)</u>	<u>(31)</u>	<u>(546)</u>
Unrestricted funds					
General funds	125	282	(101)	(131)	175
	<u>125</u>	<u>282</u>	<u>(101)</u>	<u>(131)</u>	<u>175</u>
Total funds	<u>(265)</u>	<u>1,968</u>	<u>(1,912)</u>	<u>(162)</u>	<u>(371)</u>

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 2020 are represented by:				
Tangible fixed assets	-	-	132	132
Current assets	164	182	-	346
Creditors falling due within one year	-	(182)	-	(182)
Defined benefit pension liability	-	(802)	-	(802)
	<u>164</u>	<u>(802)</u>	<u>132</u>	<u>(506)</u>
Total net assets	<u>164</u>	<u>(802)</u>	<u>132</u>	<u>(506)</u>

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

(Continued)

	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)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	175	(657)	111	(371)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £21k were payable to the schemes at 31 August 2020 (2019: £21k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £162k (2019: £114k).

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.

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.

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	2020	2019
	£'000	£'000
Employer's contributions	61	52
Employees' contributions	18	15
	<hr/>	<hr/>
Total contributions	79	67
	<hr/> <hr/>	<hr/> <hr/>
Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.1	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
	<hr/> <hr/>	<hr/> <hr/>

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	22.1	21.6
- Females	24.3	23.6
Retiring in 20 years		
- Males	22.9	22.5
- Females	25.7	25

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

	2020 £'000	2019 £'000
0.5% decrease in discount rate	174	161
0.5% increase in salary rate	11	24
0.5% increase in pension rate	160	134

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

	2020 Fair value £'000	2019 Fair value £'000
Equities	517	457
Bonds	122	116
Cash	22	19
Property	57	51
Total market value of assets	718	643

The actual return on scheme assets was £3,000 (2019: £37,000).

Amount recognised in the Statement of Financial Activities

	2020 £'000	2019 £'000
Current service cost	155	108
Past service cost	-	5
Interest income	(12)	(16)
Interest cost	25	29
Total operating charge	168	126

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2020 £'000	
	At 1 September 2019	1,300	
	Current service cost	155	
	Interest cost	25	
	Employee contributions	18	
	Actuarial loss	29	
	Benefits paid	(7)	
	At 31 August 2020	1,520	
	Changes in the fair value of the academy trust's share of scheme assets	2020 £'000	
	At 1 September 2019	643	
	Interest income	12	
	Actuarial loss/(gain)	(9)	
	Employer contributions	61	
	Employee contributions	18	
	Benefits paid	(7)	
	At 31 August 2020	718	
20	Reconciliation of net (expenditure)/income to net cash flow from operating activities	2020	2019
		£'000	£'000
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(97)	56
	Adjusted for:		
	Capital grants from DfE and other capital income	(8)	(109)
	Defined benefit pension costs less contributions payable	94	61
	Defined benefit pension scheme finance cost	13	13
	Depreciation of tangible fixed assets	37	25
	Decrease/(increase) in stocks	3	(11)
	Decrease/(increase) in debtors	85	(97)
	(Decrease)/increase in creditors	(51)	88
	Net cash provided by operating activities	76	26

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	262	26	288

22 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.

23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	2	3
Amounts due in two and five years	8	-
	<u>10</u>	<u>3</u>

ESHER CHURCH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 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 Academies Financial Handbook 2019, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, 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.

Expenditure related party transactions

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 £nil (2019: £368). There were no amounts outstanding at either year end.

25 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.