

**CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY,
FOLKESTONE**

(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2018



CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
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Reference and Administrative Details
For the year ended 31 August 2018

Members	The Diocese of Canterbury Academies Company Ltd Mr Chris Jordan (Chair) Mr Ron Chitty
Trustees	Mr Ron Chitty ¹ Mr Brian Hudson (resigned 20 July 2018) Mr Nick Boardman ² Mr Jim Kreiselmeier ¹ Mrs Clare Carvill Mr Andrew Boxer ¹ Rev Bob Weldon Mr Sidney Hill (resigned 14 March 2018) Mrs Catherine Avery ¹ Ms Janet Wang Mrs Thirumala Swaminathan ¹ Mr Norman Bolton (appointed 9 July 2018) Mr Chris Jordan ¹ members of the Resources Committee ² Chair of resources committee
Company registered number	08347877
Company name	Christ Church Church of England Primary Academy, Folkestone
Principal and registered office	Brockman Road Folkestone Kent CT20 1DJ
Company secretary	Mrs Rosemary Richter
Senior management team	Mr Jim Kreiselmeier, Head Teacher Ms Nicola Clarke, Deputy Head Teacher for Learning Ms Emma Cook, Deputy Head Teacher for Safeguarding Mrs Rosemary Richter, Business Manager
Independent auditors	Williams Giles Limited Chartered Accountants Statutory Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank PO Box 1000 BX1 1LT
Solicitors	Rootes and Alliott 27 Cheriton Gardens Folkestone CT20 2AR

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Trustees' Report
For the year ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year/period 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in central Folkestone. It has a pupil capacity of 420 and had a roll of 417 in the school census on 4th May 2018.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

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

The charitable company is known as Christ Church Church of England Academy, Folkestone.

Details of the Trustee who served during the are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

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

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Trustees' Report (continued)
For the year ended 31 August 2018

d. Policies and procedures adopted for the induction and training of Trustees

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

e. Pay policy for key management personnel

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

f. Organisational structure

Leadership Group

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

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

Senior Management Team

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

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

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Trustees' Report (continued)
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Curriculum Responsibilities

• Mrs Clarke	Maths, Act of Collective Worship, Religious Education
• Mr Jell	Physical Education
• Mrs Odell	Library
• Mr Goldsmith	Design and Technology
• Mrs Hogben	Basic Skills and Maths Makes Sense
• Mrs Conybeare	Art and Design
• Mr Bird	English
• Miss Perkins	Religious Education
• Mrs Denham	Geography
• Mrs Cook	MFL
• Miss Tapley	ICT

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

g. Connected organisations, including related party relationships

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

h. Trustees' indemnities

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

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Trustees' Report (continued)
For the year ended 31 August 2018

Objectives and Activities

a. Objectives and Activities

Aims

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

b. Objects and aims

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

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

Provision for our children

Christ Church CEP Academy will provide for its pupils:

A curriculum that:

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

Appropriate high class accommodation and facilities that:

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

Well-qualified and motivated staff who:

- have high expectations of our pupils
- are able and commit to realising our curricular objectives.

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Trustees' Report (continued)
For the year ended 31 August 2018

c. Objectives, strategies and activities

Summary of Key Issues for Improvement

Key Issues		Key Actions	
1	Improve the quality of teaching and learning to consistently good	1.1 1.2 1.3	Develop pupils' understanding and regular use of ambitious vocabulary in their writing. Ofsted recommendation "Ensure that all teachers confidently adapt activities during mathematics lessons, so that all pupils, especially the most able, are given work which makes them think hard and make the best possible progress" is fully addressed. Implement "Philosophy for Children" (P4C) provision to facilitate reasoning and argumentative skills for pupils.
2	Raise standards of achievement for all pupils in all subjects	2.1 2.2 2.3	Improve pupils' accuracy in spelling in key stage 2. Develop the EYFS curriculum further to inspire pupils' writing. Establish layered toolkits EYFS – Year 6 for story writing, diary entry, emotive letter, formal letter, newspaper article.
3	Facilitate Every Child Matters Outcomes	3.1 3.2 3.3	Implementation of "Beach Schools" provision via the John Muir award. Continue to increase the impact of Pupil Voice/Leadership. Enrich the activities and opportunities for AofCW across the school.
4	Improve school performance through Leadership and Management	4.1 4.2 4.3 4.4	Improve attendance so that it is in line with or above the national average. Continue to develop school capacity via the FESI Middle Management training programme. Embed further the focus and impact of "Parents Forum" so that it contributes to school improvements. Facilitate school efficiency and fiscal accountability through the use of "Parent Pay" cashless financial procedures.

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Trustees' Report (continued) For the year ended 31 August 2018

d. Public benefit

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

Strategic Report

a. Achievements and Performance

Key Stage Two

	School		Kent		National		School		Kent		National		School		Kent		National	
	2016		2016		2016		2017		2017		2017		2018		2018		2018	
	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM
% RWM expected	77	78	58	41	53	N/A	79	79	64	48	61	N/A	83		66		64	
% RWM higher standard	11	7	6	2	5	N/A	9	7	9	3	9	N/A	17		11			
% Reading expected	79	76	69	55	66	N/A	85	83	74	61	71	N/A	92		77		75	
% Reading high score	25	16	21	10	19	N/A	28	36	27	16	25	N/A	61					
% Writing expected	88	93	80	68	74	N/A	89	92	80	68	76	N/A	85		81		78	
% Writing greater depth	18	11	15	6	15	N/A	34	14	19	10	18	N/A	34					
% GPS expected	79	76	72	57	72	N/A	85	83	76	62	77	N/A	88		76		78	
% GPS higher standard	18	11	22	11	23	N/A	45	36	30	17	9	N/A	41					
% Maths expected	88	91	71	59	70	N/A	87	83	76	62	75	N/A	92		75		76	
% Maths high score	20	11	17	8	17	N/A	30	25	23	11	23	N/A	39					

Average Scaled Scores

	Reading						Maths						GPS					
	2016		2017		2018		2016		2017		2018		2016		2017		2018	
	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM
School	106	104	107	107	110		106	105	106	106	108		104	103	107	106	109	
Kent	103	100	105	102			103	101	104	101			104	101	106	103		
National	103	N/A	104	N/A	105		103	N/A	104	N/A	104		104	N/A	105	N/A		

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Trustees' Report (continued)
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Progress:

The government average the progress made by the pupils in individual schools and give a score for the amount of progress the group pupils make.

Average Progress Score	Reading					Writing					Maths				
	2016	2017		2018		2016	2017		2018		2016	2017		2018	
School		All	FSM	All	FSM		All	FSM	All	FSM		All	FSM	All	FSM
	3.8	4.9	6.8	8.3		3.2	5.3	4.4	4.7		3.2	4.5	5.1	5.5	
Kent	0.6	0.3	-0.4			0.6	0.4	-0.01			0.2	-0.2	-1		
National	0	0	N/A	0		0	0	N/A	0		0	0	N/A	0	

Key Stage One

	School 2016		Kent 2016		National 2016		School 2017		Kent 2017		National 2017		School 2018		Kent 2018	
	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM
%Reading expected	80	82	78	64	74	N/A	78	71	79	65	76	N/A	80			
%Writing expected	78	74	71	55	65	N/A	85	71	72	57	69	N/A	78			
%Maths expected	85	82	78	63	73	N/A	83	82	78	65	75	N/A	80			
%Reading greater depth	27	18	25	12	24	N/A	22	18	26	13	25	N/A	22			
%Writing greater depth	15	7	15	6	13	N/A	15	11	17	8	16	N/A	22			
%Maths greater depth	28	24	19	8	18	N/A	22	24	21	10	21	N/A	17			

The number of pupils who pass the Year 1 **Phonics Screening** continue to increase year on year as indicated below:

2016	2017	2018
85%	90%	85%

Foundation Stage

	2016						2017						2018					
	School		Kent		National		School		Kent		National		School		Kent		National	
	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM	All	FSM
%Good level of Development	57	65	75	59	69	N/A	79	75	74	56	71	N/A	67					
%Exceeding or Expected Literacy Goals	62	65	79	64	72	N/A	81	75	76	59	N/A	N/A	75					
%Exceeding or Expected Maths Goals	75	88	83	72	79	N/A	81	75	81	66	N/A	N/A	85					

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Trustees' Report (continued)
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b. Key performance indicators

Our KS2 results reveal that we have significantly outperformed the national average, and are in the top 2% all schools for value added. Progress and attainment for other year groups, and vulnerable pupils across the school are also good, with high outcomes being achieved.

Our KS1 results are above the national expected in all subjects, and in line at greater depth. These figures also underpin the higher attainment of FSM pupils in comparison with the local and national (from 2017 analysis).

The target for 2018/19 Year 1 phonics is to continue to sustain this high pass rate which currently is nearly 5% above the national.

On entry the reception cohort was assessed as being 88% below national expectations. As you can deduce from the outcomes, substantial progress was made over the year so that pupils achieved near to or above Kent 2017 averages.

Financial review

a. Going concern

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

b. Principal risks and uncertainties

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

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

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

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

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

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Trustees' Report (continued)
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c. Reserves policy

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

d. Material investments policy

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

Additional procedures may be required to ensure any income receivable from the investment is received.

Fundraising

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

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

Donations from our families are on a voluntary basis.

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

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Trustees' Report (continued)
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Plans for future periods

a. Future developments

Refer to above strategies, activities and objectives as listed above, as well as the 2016/17 Academy Development Plan on www.christchurchfolkestone.com

Disclosure of information to auditors

Insofar as the Trustee are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on its behalf by:



Mr Chris Jordan
Chair of Trustees



Mr Jim Kreiselmeier
Head Teacher

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Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Ron Chitty	3	4
Mr Brian Hudson	1	4
Mr Nick Boardman	4	4
Mr Jim Kreiselmeier	4	4
Mrs Clare Carvill	4	4
Mr Andrew Boxer	1	4
Rev Bob Weldon	1	4
Mr Sidney Hill	1	2
Mrs Catherine Avery	3	4
Ms Janet Wang	2	4
Mrs Thirumala Swaminathan	4	4
Mr Norman Bolton	1	1
Mr Chris Jordan	4	4

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Governance Statement (continued)

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Nick Boardman	4	4
Mr Chris Jordan	2	4
Mr Jim Kreiselmeier	4	4
Mr Ron Chitty	3	4
Mr Andrew Boxer	1	4
Mrs Catherine Avery	3	4
Mrs Thirumala Swaminathan	2	4

Governance reviews:

The Governing Board has undergone changes in membership during the year, specifically with the resignation of two Foundation Governors as a result of them moving parish. One new Foundation Governor (Mr Bolton) was appointed at the end of the academic year and the recruitment of a second Governor is ongoing.

The governors agreed that it is important that they take an active role in fulfilling their responsibilities and are working to ensure that all governors are involved in monitoring the progress against the priorities of the School Improvement Plan as well as monitoring the finances of the academy through the work of the Resources Team.

Review of Value for Money

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

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Christ Church CEP Academy, Folkestone for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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Governance Statement (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

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

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

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

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

On a quarterly basis, the reviewer reports to the board of trustees through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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Governance Statement (continued)

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:



Mr Chris Jordan
Chair of Trustees



Mr Jim Kreiselmeier
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Christ Church Church of England Primary Academy, Folkestone I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy 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 2017.

I confirm that I and the academy trust board of trustees 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 2017.

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


Mr Jim Kreiselmeier
Accounting Officer

Date: 5 December 2018

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Statement of Trustees' Responsibilities
For the year ended 31 August 2018

The trustees (who act as governors of Christ Church CEP Academy, Folkestone and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



Mr Chris Jordan
Chair of Trustees

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

Independent Auditors' Report on the Financial Statements to the Members of Christ Church Church of England Primary Academy, Folkestone

Opinion

We have audited the financial statements of Christ Church Church of England Primary Academy, Folkestone (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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

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

Independent Auditors' Report on the Financial Statements to the Members of Christ Church Church of England Primary Academy, Folkestone

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE

(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Christ Church Church of England Primary Academy, Folkestone

Use of our report

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 18 Dec 2018

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

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

In accordance with the terms of our engagement letter dated 28 November 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Christ Church Church of England Primary Academy, Folkestone during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Christ Church Church of England Primary Academy, Folkestone's funding agreement with the Secretary of State for Education dated 27 February 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE

(A company limited by guarantee)

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

Conclusion

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

It was noted that during the year the academy's credit card was linked to a personal ebay account. One item of expenditure of a personal nature was found to have been charged to the academy's credit card. This was refunded to the academy. We have not noted any loss to the academy as a result of this transaction.



Alastair Crawford FCA

Williams Giles Limited

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 18 December 2018

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

Statement of Financial Activities incorporating Income and Expenditure Account
For the year ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	8,241	-	8,590	16,831	13,324
Charitable activities	3	-	2,029,372	-	2,029,372	2,066,906
Other trading activities	4	30,252	56,272	-	86,524	95,691
Investments	5	-	-	-	-	217
Total income		38,493	2,085,644	8,590	2,132,727	2,176,138
Expenditure on:						
Charitable activities		27,661	2,140,797	68,010	2,236,468	2,347,693
Total expenditure	8	27,661	2,140,797	68,010	2,236,468	2,347,693
Net income / (expenditure) before transfers		10,832	(55,153)	(59,420)	(103,741)	(171,555)
Transfers between Funds	19	-	(9,601)	9,601	-	-
Net income / (expenditure) before other recognised gains and losses		10,832	(64,754)	(49,819)	(103,741)	(171,555)
Actuarial gains on defined benefit pension schemes	24	-	287,000	-	287,000	486,000
Net movement in funds		10,832	222,246	(49,819)	183,259	314,445
Reconciliation of funds:						
Total funds brought forward		181,050	(1,043,000)	2,492,013	1,630,063	1,315,618
Total funds carried forward		191,882	(820,754)	2,442,194	1,813,322	1,630,063

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE

(A company limited by guarantee)

Registered number: 08347877

**Balance Sheet
As at 31 August 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	2,433,604	2,492,013
Current assets			
Stocks	16	5,699	3,528
Debtors	17	51,310	49,845
Cash at bank and in hand		303,547	177,611
		<u>360,556</u>	<u>230,984</u>
Creditors: amounts falling due within one year	18	<u>(113,838)</u>	<u>(49,934)</u>
Net current assets		<u>246,718</u>	<u>181,050</u>
Total assets less current liabilities		<u>2,680,322</u>	<u>2,673,063</u>
Defined benefit pension scheme liability	24	<u>(867,000)</u>	<u>(1,043,000)</u>
Net assets including pension scheme liabilities		<u><u>1,813,322</u></u>	<u><u>1,630,063</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	19	46,246	-
Restricted fixed asset funds	19	<u>2,442,194</u>	<u>2,492,013</u>
Restricted income funds excluding pension liability		<u>2,488,440</u>	<u>2,492,013</u>
Pension reserve		<u>(867,000)</u>	<u>(1,043,000)</u>
Total restricted income funds		<u>1,621,440</u>	<u>1,449,013</u>
Unrestricted income funds	19	<u>191,882</u>	<u>181,050</u>
Total funds		<u><u>1,813,322</u></u>	<u><u>1,630,063</u></u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:



Mr Chris Jordan
Chair of Trustees



Mr J L Kreiselmeier
Accounting Officer

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

Statement of Cash Flows
For the year ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>126,947</u>	<u>(18,333)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(9,601)	(21,900)
Capital grants from DfE Group		8,590	8,579
Capital funding received from sponsors and others		-	1,571
Net cash used in investing activities		<u>(1,011)</u>	<u>(11,750)</u>
Change in cash and cash equivalents in the year		125,936	(30,083)
Cash and cash equivalents brought forward		<u>177,611</u>	<u>207,694</u>
Cash and cash equivalents carried forward	22	<u><u>303,547</u></u>	<u><u>177,611</u></u>

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

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies

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

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

1.1 Basis of preparation of financial statements

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

Christ Church Church of England Primary Academy, Folkestone constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

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

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

1.5 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings on church land	-	2% Straight line
Furniture and fixtures	-	25% Straight line
Computer equipment	-	33.33% Straight line

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

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

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 incorporating income and expenditure account.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Taxation

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

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

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is *insufficient information available to use defined benefit accounting*. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 incorporating income and expenditure account 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.

1.15 Fund accounting

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

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

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

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

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

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

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	8,241	-	-	8,241	3,174
Capital donations	-	-	-	-	1,571
Capital grants	-	-	8,590	8,590	8,579
	<u>8,241</u>	<u>-</u>	<u>8,590</u>	<u>16,831</u>	<u>13,324</u>
Total 2017	<u>3,174</u>	<u>-</u>	<u>10,150</u>	<u>13,324</u>	

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3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,633,772	1,633,772	1,681,282
Other DfE/ESFA grants	-	77,551	77,551	71,765
Pupil premium	-	231,570	231,570	240,098
	-	1,942,893	1,942,893	1,993,145
Other government grants				
Other government grants	-	86,479	86,479	73,761
	-	86,479	86,479	73,761
	-	2,029,372	2,029,372	2,066,906
Total 2017	-	2,066,906	2,066,906	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	30,252	-	30,252	20,412
Catering income	-	20,476	20,476	6,950
School trip income	-	15,461	15,461	18,410
Other income	-	20,335	20,335	49,919
	30,252	56,272	86,524	95,691
Total 2017	20,412	75,279	95,691	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	-	-	-	217
Total 2017	217	-	217	

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6. Direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	123,997	123,997	108,146
Staff development	23,164	23,164	31,392
Agency supply	-	-	14,016
Wages and salaries	1,197,493	1,197,493	1,259,649
National insurance	99,597	99,597	106,064
Pension cost	198,894	198,894	212,257
	<u>1,643,145</u>	<u>1,643,145</u>	<u>1,731,524</u>
Total 2017	<u>1,731,524</u>	<u>1,731,524</u>	

7. Support costs

	Educational operations £	Total 2018 £	Total 2017 £
LGPS costs	26,000	26,000	30,000
Maintenance of premises and equipment	33,011	33,011	34,821
Cleaning	19,464	19,464	7,862
Rent & rates	8,391	8,391	9,799
Light & heat	24,364	24,364	23,289
Insurance	8,240	8,240	8,160
Security & transport	1,655	1,655	1,830
Catering	73,106	73,106	70,611
Computer costs	10,993	10,993	14,500
Other support costs	10,890	10,890	9,693
Governance costs	27,661	27,661	30,608
Wages and salaries	157,076	157,076	170,053
National insurance	9,784	9,784	10,196
Pension cost	114,678	114,678	108,609
Depreciation	68,010	68,010	86,138
	<u>593,323</u>	<u>593,323</u>	<u>616,169</u>
Total 2017	<u>616,169</u>	<u>616,169</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs:
£27,661 (2017 - £30,608) included within the table above in respect of Educational operations.

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8. Expenditure

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£	£	£	£	£
Activities:					
Direct costs	1,495,984	-	147,161	1,643,145	1,731,524
Support costs	281,538	86,698	225,087	593,323	616,169
	1,777,522	86,698	372,248	2,236,468	2,347,693
Total 2017	1,880,844	120,959	359,906	2,361,709	

9. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	68,010	86,138
Auditors remuneration	14,722	14,772

10. Auditors' remuneration

	2018	2017
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	5,850	6,200
Fees payable to the academy's auditor and its associates in respect of:		
Taxation compliance services	250	250
All other non-audit services not included above	8,622	7,947

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11. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,354,569	1,429,702
Social security costs	109,381	116,260
Operating costs of defined benefit pension schemes	313,572	320,866
	1,777,522	1,866,828
Agency staff costs	-	14,016
	1,777,522	1,880,844

b. Staff numbers

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

	2018	2017
	No.	No.
Teaching staff	27	30
Support staff	41	44
Management	4	4
	72	78

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

d. Key management personnel

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £352,124 (2017: £334,341)

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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
J Kreiselmeier	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs Clare Carvill	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs C Avery	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to 0 Trustees).

13. Trustees' 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 trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover for the academy. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	34,000	26,000
Interest on pension scheme liabilities	(60,000)	(56,000)
	<u>(26,000)</u>	<u>(30,000)</u>

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15. Tangible fixed assets

	Buildings on church land £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2017	2,702,765	138,093	66,547	2,907,405
Additions	6,490	3,111	-	9,601
At 31 August 2018	<u>2,709,255</u>	<u>141,204</u>	<u>66,547</u>	<u>2,917,006</u>
Depreciation				
At 1 September 2017	232,154	118,956	64,282	415,392
Charge for the year	54,185	13,100	725	68,010
At 31 August 2018	<u>286,339</u>	<u>132,056</u>	<u>65,007</u>	<u>483,402</u>
Net book value				
At 31 August 2018	<u>2,422,916</u>	<u>9,148</u>	<u>1,540</u>	<u>2,433,604</u>
At 31 August 2017	<u>2,470,611</u>	<u>19,137</u>	<u>2,265</u>	<u>2,492,013</u>

16. Stocks

	2018 £	2017 £
Uniform stock	<u>5,699</u>	<u>3,528</u>

17. Debtors

	2018 £	2017 £
Trade debtors	1,738	4,112
VAT	4,695	4,883
Other debtors	38,720	39,260
Prepayments and accrued income	6,157	1,590
	<u>51,310</u>	<u>49,845</u>

18. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	17,767	12,920
Other taxation and social security	26,292	-
Other creditors	27,009	26
Accruals and deferred income	42,770	36,988
	<u>113,838</u>	<u>49,934</u>

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18. Creditors: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	31,355	29,443
Resources deferred during the year	33,012	31,355
Amounts released from previous years	(31,355)	(29,443)
	33,012	31,355
Deferred income at 31 August 2018	33,012	31,355

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

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19. Statement of funds

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

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

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

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

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

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

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

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	175,367	23,803	-	(18,120)	-	181,050
Restricted funds						
General Annual Grant (GAG)	-	1,681,282	(1,687,652)	6,370	-	-
Pupil premium	-	240,098	(240,098)	-	-	-
Generated fund	-	75,279	(75,279)	-	-	-
Other ESFA/DfE Grants	-	71,765	(71,765)	-	-	-
Other Government Grants	-	73,761	(73,761)	-	-	-
Pension reserve	(1,416,000)	-	(113,000)	-	486,000	(1,043,000)
	<u>(1,416,000)</u>	<u>2,142,185</u>	<u>(2,261,555)</u>	<u>6,370</u>	<u>486,000</u>	<u>(1,043,000)</u>
Restricted fixed asset funds						
Assets held for depreciation	2,556,251	-	(86,138)	21,900	-	2,492,013
Devolved Capital Grant	-	8,579	-	(8,579)	-	-
Other capital grants	-	1,571	-	(1,571)	-	-
	<u>2,556,251</u>	<u>10,150</u>	<u>(86,138)</u>	<u>11,750</u>	<u>-</u>	<u>2,492,013</u>
Total restricted funds	<u>1,140,251</u>	<u>2,152,335</u>	<u>(2,347,693)</u>	<u>18,120</u>	<u>486,000</u>	<u>1,449,013</u>
Total of funds	<u>1,315,618</u>	<u>2,176,138</u>	<u>(2,347,693)</u>	<u>-</u>	<u>486,000</u>	<u>1,630,063</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	175,367	62,296	(27,661)	(18,120)	-	191,882

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19. Statement of funds (continued)

Restricted funds

General Annual Grant (GAG)	-	3,315,054	(3,265,577)	(3,231)	-	46,246
Pupil premium	-	471,668	(471,668)	-	-	-
Generated fund	-	75,279	(75,279)	-	-	-
Other ESFA/DfE Grants	-	149,316	(149,316)	-	-	-
Other Government Grants	-	160,240	(160,240)	-	-	-
	-	56,272	(56,272)	-	-	-
Pension reserve	(1,416,000)	-	(224,000)	-	773,000	(867,000)
	<u>(1,416,000)</u>	<u>4,227,829</u>	<u>(4,402,352)</u>	<u>(3,231)</u>	<u>773,000</u>	<u>(820,754)</u>

Restricted fixed asset funds

Assets held for depreciation	2,556,251	-	(154,148)	31,501	-	2,433,604
Devolved Capital Grant	-	17,169	-	(8,579)	-	8,590
Other capital grants	-	1,571	-	(1,571)	-	-
	<u>2,556,251</u>	<u>18,740</u>	<u>(154,148)</u>	<u>21,351</u>	<u>-</u>	<u>2,442,194</u>
	<u>1,140,251</u>	<u>4,246,569</u>	<u>(4,556,500)</u>	<u>18,120</u>	<u>773,000</u>	<u>1,621,440</u>
Total of funds	<u>1,315,618</u>	<u>4,308,865</u>	<u>(4,584,161)</u>	<u>-</u>	<u>773,000</u>	<u>1,813,322</u>

20. Analysis of net assets between funds

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

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	2,492,013	2,492,013
Current assets	181,050	49,934	-	230,984
Creditors due within one year	-	(49,934)	-	(49,934)
Provisions for liabilities and charges	-	(1,043,000)	-	(1,043,000)
	<u>181,050</u>	<u>(1,043,000)</u>	<u>2,492,013</u>	<u>1,630,063</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(103,741)	(171,555)
Adjustment for:		
Depreciation charges	68,010	86,138
Increase in stocks	(2,171)	(128)
(Increase)/decrease in debtors	(1,465)	8,229
Increase/(decrease) in creditors	63,904	(43,867)
Capital grants from DfE and other capital income	(8,590)	(10,150)
Defined benefit pension scheme finance cost	111,000	113,000
Net cash provided by/(used in) operating activities	<u>126,947</u>	<u>(18,333)</u>

22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	303,547	177,611
Total	<u>303,547</u>	<u>177,611</u>

23. Contingent liabilities

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

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

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24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £149,121 (2017 - £ 212,257).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £104,000 (2017 - £102,000), of which employer's contributions totalled £80,000 (2017 - £78,000) and employees' contributions totalled £24,000 (2017 - £24,000). The agreed contribution rates for future years are 19.8% for employers and variable % for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Expected return on scheme assets at 31 August	4.00 %	16.00 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI Increases	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	2,248,000	2,262,000
Discount rate -0.1%	2,353,000	2,367,000
Mortality assumption - 1 year increase	2,373,000	2,388,000
Mortality assumption - 1 year decrease	2,229,000	2,242,000
CPI rate +0.1%	2,346,000	2,324,000
CPI rate -0.1%	2,255,000	2,304,000

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24. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	977,000	895,000
Gilts	11,000	9,000
Other bonds	127,000	122,000
Debt instruments	-	-
Property	177,000	156,000
Cash and other liquid assets	44,000	40,000
Absolute return fund	97,000	49,000
Total market value of assets	<u>1,433,000</u>	<u>1,271,000</u>

The actual return on scheme assets was £59,000 (2017 - £195,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(164,000)	(161,000)
Interest income	34,000	26,000
Administrative expenses	(60,000)	(56,000)
Admin expenses	(1,000)	(1,000)
Total	<u>(191,000)</u>	<u>(192,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	2,314,000	2,544,000
Current service cost	164,000	161,000
Interest cost	60,000	56,000
Employee contributions	24,000	24,000
Actuarial gains	(262,000)	(471,000)
	<u>-</u>	<u>-</u>
Closing defined benefit obligation	<u>2,300,000</u>	<u>2,314,000</u>

CHRIST CHURCH CHURCH OF ENGLAND PRIMARY ACADEMY, FOLKESTONE
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24. Pension commitments (continued)

Movements in the fair value of the academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,271,000	1,128,000
Interest income	34,000	26,000
Actuarial losses	25,000	15,000
Employer contributions	79,000	78,000
Employee contributions	24,000	24,000
Closing fair value of scheme assets	1,433,000	1,271,000

25. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	975	1,950

26. Members' liability

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

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27. Related party transactions

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

During the year, £1,200 (2017: £1,000) has been paid to the Canterbury Diocesan Board of Education, a member of the trust, in respect of administration supplies. The transaction was carried out at arms length. There were no amounts outstanding at the year end.

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