

Company Registration Number: 08242856 (England & Wales)

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	K Wilson (resigned 21 September 2018) Rev T Day Diocese of Leicester Educational Trust S Hardy
Trustees	Rev T Day, Chair of Trustees ¹ K Wilson (resigned 21 September 2018) D Brown ^{1,3} M A Pearson (resigned 12 September 2019) L J Morgan S L Thraves (resigned 12 September 2019) ¹ V Patel ² A Parker-Bates (appointed 25 October 2018) ^{1,2} S Kirk ^{1,3} M Sudera ^{1,3} S Hardy ¹ S Patterson (appointed 7 February 2019) ¹ M Green (appointed 12 September 2019)

¹ Finance Committee

² Parent Trustee

³ Staff Trustee

Company registered number	08242856
Company name	Church Hill Church of England Junior School
Principal & registered office	Church Hill Road Thurmaston Leicester Leicestershire LE4 8DE
Senior management team	S Kirk, Headteacher M Sudera, Assistant Headteacher D Brown, Assistant Headteacher
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

The Co-operative Bank PLC
Unit 6-7 Hamilton Shopping Parade
Maidenwell Avenue
Leicester
LE5 1BJ

Lloyds Bank
7 High Street
Leicester
LE1 9FS

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The Trust operates an Academy for pupils aged 7 to 11 serving a catchment area in Thurmaston. It has a pupil capacity of 360 and had a roll of 358 in the school census on 17 January 2019.

Structure, governance and management

● **Constitution**

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company was incorporated on 5 October 2012. The school converted to Academy status on 1 November 2012 when its operations, assets and liabilities were transferred to the Academy from the Local Authority.

The Governors act as the Trustees for the charitable activities of Church Hill C of E Junior School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Church Hill C of E Junior School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

● **Members' liability**

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

● **Trustees' indemnities**

In accordance with the Companies Act 2006 and the schools normal practice the school has purchased insurance to protect the Trustees and Officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under the policy is £3 million and in the period under review the sum of £284 was paid.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

● **Method of recruitment and appointment or election of Trustees**

Trustees are appointed as follows:

Parent Trustees will 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/she is elected.

The members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Headteacher) who are employees of the Academy trust does not exceed one third of the total number of Trustees.

Foundation members will appoint the Foundation Trustee(s) provided that the team vicar within the fosse team ministry responsible for the parish of Thurmaston shall be an ex-officio Foundation Trustee. Further the foundation members may appoint additional Foundation Trustees 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 an additional or further Trustees).

Community Trustees will be nominated and selected by the Board of Trustees of Church Hill C of E Junior School. We would seek to appoint Trustees with relevant background and experience to complement existing Trustee qualifications.

Church Hill C of E Junior School will endeavour to appoint Trustees which will benefit the Academy and contribute to raising standards.

Timothy Day, Keith Wilson and the Director of Education for the Diocese of Leicester Educational Trust are all members and can nominate Trustee's. Any nomination must be approved by the other members. Staff and Parent Trustee vacancies are balloted once applications have been received.

● **Policies adopted for the induction and training of Trustees**

We expect all Trustees to undertake training as appropriate to their work at the school. All new Trustees will be provided with induction training, both by the school and by external sources. The school subscribes to the Leicestershire County Council Governor Development Service and provides details of all courses to Trustees. Details of Trustee training is logged and reviewed on a regular basis.

● **Organisational structure**

The Trustees determine the general policy of the school. The day to day running of the school is delegated to the Headteacher. The Headteacher undertakes the key leadership role overseeing education, pastoral and administrative functions and is supported by senior staff. The day to day administration is undertaken with their policies and procedures approved by the Trustees. Only significant expenditure and major capital projects are referred to Trustees for approval.

The Headteacher oversees all recruitment of all educational staff, whilst under delegated authority the Business Manager oversees the recruitment of administrative and non teaching support staff. The Headteacher is an ex-officio Trustee, Principal Accounting Officer and attends all meetings. The Business Manager attends meetings as appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

● **Arrangements for setting pay and remuneration of key management personnel**

The Academy follows the national Teachers Pay and Conditions for teachers pay and set pay increases as agreed through national pay deals and incremental increases following performance review meetings. For support staff we follow Leicestershire local government pay scales and implemented locally agreed pay increases.

Church Hill C of E Junior School has a joint pay policy amongst the STEP Teaching School Alliance (Syston and Thurmaston Education Partnership) schools, which is ratified by our Finance Committee and Full Governing Body.

The rules for determining the pay of teachers in the school are set out in the School Teachers' Pay and Conditions Document (STPCD). Under the STPCD, leadership pay will be determined when there is a new appointment, or the responsibilities of existing members of the leadership group have changed significantly. Schools may also choose to review pay to maintain consistency with pay arrangements for those who have had their pay set in either of the above cases.

Headteachers, Deputy Headteachers and Assistant Headteachers will be paid on a leadership pay range, which is between £39,965 and £111,007 per year.

The governing body should consider the complexity and challenge of the role within the context of the school, and set an indicative pay range, ensuring that it leaves scope for performance related progression. For Headteachers, governing bodies have the option to increase the pay range by a maximum of 25% above the Headteacher group, if they determine that circumstances specific to the role or candidate warrant this. Governors should also consider factors such as the context and challenge arising from pupil needs, any factors that may make it difficult to attract candidates, and any other additional accountabilities.

The Headteacher has an external consultant to carry out her performance management with a governor's performance management committee made up of 3 governors.

The Assistant Headteachers performance management is carried out by the Headteacher and reported back to the governors pay committee as are all the teaching staff to agree any performance related pay increases.

The School Business Managers (SMT) performance management is carried out by the Headteacher. The education support staff performance management is carried out by one of the Assistant Headteachers (SLT) and ratified with the Headteacher. The clerical and premises support staff performance management is carried out by the School Business Manager (SMT).

The ICT technician is shared between two schools and his performance management is carried out jointly by both of the Headteachers.

The Headteacher reports the targets set for performance management to the Full Governing Body once a year and informs them of the review meetings throughout the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

● **Related parties and other connected charities and organisations**

The school is a member of the STEP (Syston and Thurmaston Education Partnership) TSA (Teaching School Alliance). This partnership enables the school to share and receive services ensuring best value for the school. The collaboration between the schools enables the school to keep abreast with all current educational matters, networking to ensure good practice, sharing expertise and knowledge.

The school are part of the Fosse group, a collaboration between six local Church of England schools for mutual support and challenge, with a particular focus on supporting small church schools. The group works collaboratively at a number of levels, for example shared learning walks, staff meetings and CPD opportunities and some cross school moderation.

The school has a connected charity, Church Hill Friends which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction 2018 to 2019 (SORP 2015) some summary details of this charity's activities are included in note 27 to the financial statements.

Objectives and activities

● **Objects and aims**

A number of key achievements 2018-2019:

- Experienced SLT enabling strong leadership in all areas, including SEN
- New effective SMT
- Effective recruitment of high quality staff
- A positive approach to school improvement (new devised Learning Improvement Plan) – 'thinking outside the box'
- Governors diligence and support
- Awarded Food for Life – Bronze Award
- New RE curriculum embedded 2019
- New outdoor learning area and outdoor classroom
- Reviewed our school Vision and Mission statement
- Music champion school for Leicestershire
- Stonewall Schools Championship Award
- Awarded Schools Green Flag Award
- Awarded School Games Sports Mark Gold Award for 2018-19

Vision: Let Your Light Shine (Matthew 5:16)

Mission Statement: TEAM- Together Everyone Achieves More... The Church Hill Way

AIMS

The Governors, Staff and Parents of Church Hill C of E Junior School agree to:

- Promote Christian values and a mutual respect for different religious beliefs and cultures
- Work together to enable each child to attain his or her maximum potential within a happy, safe environment.
- Set high standards for learning and behaviour.
- Provide an inclusive, enriched curriculum so that all children enjoy success and celebrate their achievements.
- Value high educational standards as a route to, social, spiritual, moral and cultural development.
- Develop lively enquiring minds, nurturing a love of learning; promoting the ability to question, think rationally and to work independently.
- Offer appropriate challenges, support and opportunities. Believe obstacles can be opportunities for personal growth.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- Ensure every child matters, helping them to enjoy and achieve through the promotion of responsible citizenship and safe healthy lifestyles.
- Promote a sense of self-esteem and confidence.
- Respect the environment and different needs, cultures and religious beliefs of others.

● **Objectives, strategies and activities**

At Church Hill C of E Junior School we promote learning by working as a whole school community with an ethos firmly rooted in Christian Principles.

Church Hill C of E Junior School promotes community cohesion. By community cohesion, we mean working towards a society in which there is a common vision and sense of belonging by all communities; a society in which the diversity of people's backgrounds and circumstances is appreciated and valued; a society in which similar life opportunities are available to all; and a society in which strong and positive relationships exist and continue to be developed in the workplace, in school and in the wider community.

Every Child Matters

We believe that all children are special and they all have a variety of needs. We endeavour to give all pupils an all round education whilst developing their personal and social skills and preparing them for the real world. This is done by following the five outcomes set out by the Government initiative in 2004 Every Child Matters. Here at Church Hill C of E Junior School Every Child certainly does Matter! We work alongside families, outside agencies, the school nurse and other schools to achieve the following outcomes:

1. BE HEALTHY
2. STAY SAFE
3. ENJOY AND ACHIEVE
4. ACHIEVE ECONOMIC WELL BEING
5. MAKE A POSITIVE CONTRIBUTION

We manage our school to ensure that pupils understand and gain experience which helps them to:

1. Lead healthy lives
2. Know how to keep themselves safe
3. Enjoy and achieve in their lives
4. Understand the principles of economic well being
5. Make a positive contribution to society and their daily lives

This is portrayed in our school vision and mission statement.

In order that the vision and aims of Church Hill C of E Junior School may be fulfilled, the school will:

Through Leadership, Teaching and the Environment

1. Provide effective leadership
2. Provide knowledge, skilled, committed and approachable staff to encourage excellence in all spheres of learning
3. Promote excellent behaviour and respect for others in an encouraging learning environment

Learning

1. Provide a curriculum suitably differentiated to the ability and learning styles of the pupils, and match to the National Curriculum requirements.
2. Provide practical and well resourced learning experiences in all subjects including the development of application of I.C.T. skills.
3. Provide support and challenges suited to the needs of the learner.
4. Ensure that learning opportunities are carefully planned, assessed, monitored and reviewed to ensure continuity and progression in the development of knowledge and skills.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Home / School and Community

1. Ensure effective communication channels between home and school.
2. Foster and maintain positive relationships with parents and with the wider community
3. Foster commitment and team effort through positive adult role models in school, and through the PHSE / Citizenship strand of the curriculum
4. Provide teaching and guidance on healthy lifestyles, encouraging learners to make appropriate lifestyle choices in matters affecting their personal well being.

At Church Hill C of E Junior School every child is recognised as a unique individual. Through our vision, "Let your light shine," (Matthew 5:16) we aspire for all children to celebrate their strengths and be proud of their achievements. This is encapsulated by our curriculum as we provide extensive opportunities for all children to shine and to encourage the light in others. On leaving our school, we aim for all pupils to lead a life rich in happiness, health and fun.

Our ambitious and inclusive curriculum fosters a love of learning. We encourage metacognition through developing the growth mind-set to equip our children with the strategies to succeed. With strong pedagogical progression of transferable knowledge and skills, we aim to prepare our pupils to thrive in the fast-changing world ahead of them. We endeavour to foster independence, confidence and to provide opportunities for enterprise.

Our curriculum aims to develop pupils' interpersonal skills so that they are resilient, curious and passionate citizens. Through strong links with our local community, we recognise the distinctive character of the village of Thurmaston. Community involvement is an essential part of our curriculum as we celebrate local traditions, learning new skills to enable the children to take an active role in events throughout the year. We respect the eclectic mix of our cultural heritage and value tolerance and empathy; we celebrate difference and diversity. Our curriculum also ensures children are knowledgeable about the history and geography of our local area because this is important to our community. Children develop a sense of belonging to this tightly knit community where they have the confidence and skills to make decisions, self-evaluate, make connections and become lifelong learners. Citizenship is further fostered through an emphasis on the core British values and we promote courageous advocacy. We want our children to have the confidence and determination to champion local, national and global issues.

As a Church of England school, our curriculum also offers children the opportunity to explore faith and spirituality. Together, with Jesus, everyone strives to make a difference within our community by letting God's light shine. In the same way, we achieve and accomplish more with our Christian values of courage, fairness, truthfulness, kindness, responsibility, thankfulness and koinonia, creating a flourishing school.

The overarching intention of our curriculum is to provide our learners with the cultural capital and life-skills to 'let their light shine' in all that they do and to create happy, well-rounded and ambitious individuals.

● **Public benefit**

Church Hill C of E Junior School is a charitable trust which seeks to benefit the public through pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

• **Key performance indicators**

Once again, we are unbelievably proud of how the Year 6 children have progressed and attained academically, but also emotionally and socially. The pupils, alongside staff, have worked meticulously over the last 4 years to ensure all children fulfilled their potential.

We would like to thank the teachers, support staff, parents and governors for their continued support.

	2018- 2019 CHJS			2018- 2019 National	
Reading	Met Scaled Score 100 'Expected Standard'	81% (71/88) <i>+ 1 special considerations= 82%</i>	Average Scaled Score: 106	73%	Average Scaled Score: 104
	Scaled Score 110+ 'Higher Standard'	28% (25/88) <i>+ 4 special considerations= 33%</i>		27%	
Writing	'Working at Expected Standard'	88% (77/88)	Moderated internally and externally between local schools. Moderated by the Local Authority June 2017	NA	78%
	'Working at Greater Depth'	30% (26/88)		20%	
GPS	Met Scaled Score 100 'Expected Standard'	88% (77/88) <i>+ 1 special considerations= 89%</i>	Average Scaled Score: 109	78%	Average Scaled Score: 106
	Scaled Score 110+ 'Higher Standard'	47% (41/88) <i>+ 3 special considerations= 50%</i>		36%	
Maths	Met Scaled Score 100 'Expected Standard'	88% (77/88) <i>+ 1 special considerations= 89%</i>	Average Scaled Score: 107	79%	Average Scaled Score: 105
	Scaled Score 110+ 'Higher Standard'	26% (23/88) <i>+ 2 special considerations & 2 remarks = 31%</i>		27%	
Combined RWM	Met Scaled Score 100 'Expected Standard'	74% (65/88)	NA	65%	NA
	Met Scaled Score 110 in R, M and W 'GDS' 'Higher Standard'	15% (13/88)		11%	
Science	'Working at Expected Standard' or beyond	91%	NA	83%	NA
School's Progress Vs. Floor Standard Reading = TBC Writing= TBC Maths = TBC					
Floor Standard: TBC					

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

● **Going concern**

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

Financial review

● **Financial review**

The Academy had a net increase in funds for the year ended 31 August 2019 of £93,799 including fixed assets movements but excluding pension reserve movements. As at 31 August 2019 the Academy held £70,032 of unrestricted reserves plus £195,194 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £265,226.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £726,000 at 31 August 2019 and a fixed asset reserve of £318,124 being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the academy trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

1. Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by:
 - Likely future reductions in government funding
 - Unexpected falls in pupil numbers
 - Cash flow issues due to delays in receipt of funding
 - Emergencies (large unbudgeted expenditure)
2. It is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the school's primary objective is preserved. At the same time, the school wishes to ensure it uses its funding to benefit the pupils in its care which implies an imperative to consider actively the use of reserves to enhance education provision.
3. Trustees will monitor the levels of reserves in financial reports provided by the Business Manager and in the annual financial statement prepared by the auditor. Trustees will ensure prudent levels of reserves are maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the levels of reserves Trustees' will take into account the following:
 - One month's salary bill
 - Their annual review of the reserves target.
 - The school's annual budget.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

- The need for any large project spends, facilities and building maintenance needs.
- Any uncertainty, turbulence or expected reduction in funding arrangements.
- Funding for next 3 - 5 years.

The trustees have developed a reserves policy for the school which is reviewed at least annually. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one months salary as a minimum being £90,000 plus funding for eventualities of £60,000 amounting to total reserves of £150,000.

Actual free reserves plus unspent GAG as at 31 August 2019 were £258,501, being approximately £109,000 higher than the target level set by the trustees. The trustees intend to bring actual reserves into line with target by additional spending on school refurbishments. The academy also held other available restricted funds at the year end of £1,000 other grants as detailed in note 17 and designated funds of £8,233, set aside by Trustees for education and library resources. Total available reserves, being all of the above figures at 31 August 2019 were £265,226. Cash at bank at 31 August 2019 was £48,604 lower than total available reserves due principally to income from Condition Improvement Fund (CIF) monies not being received by 31 August 2019 however the project costs had all been paid out.

At 31 August 2019 the academy's fixed asset reserve of £318,124 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £726,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● Investments policy

Monitor cash flow on a regular basis to ensure immediate financial commitments can be met (essential payroll commitments and payment runs) and that the account has adequate balances to meet forthcoming commitments. In practice a working balance of £100,000 to £200,000 is likely to be maintained.

Identify any surplus funds which can be transferred into an account attracting a higher interest rate. Review interest rates and investment opportunities in a timely manner.

The schools current policy is to only invest in risk free and immediately accessible deposit accounts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

● **Principal risks and uncertainties**

The schools Trustees are responsible for the overseeing of the risks faced by the school. Detailed considerations of risks are delegated to the senior leadership team. The schools risks are identified assessed and controls established. A formal review of the school's risk management processes will be undertaken on an annual basis. Risk is managed under the headings of financial sustainability, safety, pupil welfare, employment, trips, events and community access.

Through the risk management process established for the school, the Trustees are satisfied that major risks are identified and mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been managed.

At 31 August 2019 the pension deficit on the Local Government Pension Scheme stood at £726,000 (2018: £454,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Fundraising

Fundraising has been limited to small events held to raise funds for external charities, such as non uniform days. These funds are paid across in full to the nominated charities such as Children in Need, Red Nose Day etc. Fundraising for Library books, Dictionaries, Thesauruses etc. through Bake Sales and Lollies sales where appropriate cost centres were in place to show monies collected and spent. Monies collected for programmes for concerts were used to offset costumes etc. Other fundraising by Church Hill Friends and Parent Teacher Association are duly shown.

Plans for future periods

The Trustees intend to continue with their current strategies of maintaining the school's position in a competitive market, providing outstanding education facilities, achieving high standards whilst constantly striving to improve pupil's outcome.

The Headteacher and senior staff continue to review the curriculum to ensure that education standards are met and attained. Our future plans are financed by income direct from the DfE and are related to pupil numbers. Trustees will endeavour funding is invested to make sure the next generation of pupils have the same opportunities as those before them.

We have a planned programme of maintenance and investment in the school site. We also have an ICT infrastructure to maintain to ensure our staff and pupils have the best technology we can provide.

Environmental issues are also a priority and we continue to develop systems to be more environmental friendly and effective and energy efficient. We are very proud of the outdoor area and classroom built this year and hope to continue to improve this area over the next academic year.

The school is planning to develop the site and facilities for the pupils by removing the swimming pool which is no longer fit for purpose and replacing with a Sports Hall to improve facilitation of the sports curriculum. The school is applying for bids to help support this development and currently has a sum of money set aside for this purpose.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Funds held as custodian on behalf of others

The Academy does not hold funds on behalf of any other organisations.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

Rev T Day
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of 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 Church Hill Church of England Junior School 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report. The board of Trustees has formally met 5 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
Rev T Day, Chair of Trustees	5	5
K Wilson	0	1
D Brown	5	5
M A Pearson	3	5
L J Morgan	2	5
S L Thraves	4	5
V Patel	5	5
A Parker-Bates	2	4
S Kirk	4	5
M Sudera	3	5
S Hardy	5	5
S Patterson	3	3
M Green	0	0

Governance reviews:

The challenge the Board has faced is the upcoming change in the curriculum, funding changes and to ensure that the Board has the best interest of our pupils in mind at all times. Also to attract and appoint governors with skills which will really make a positive impact on the school.

The findings of the annual review carried out during the year to 31 August 2019 were to ensure monitoring is effective and training of Governors is effective and timely. That the board meets at times to attract governors to the board to facilitate maximum attendance of meetings. The actions taken as a result of those findings and the impact they had were as follows:

- Change of date and time of FGB – Attendance increased.
- Schedule of training minuted every meeting; training provided through GDS and STEP TSA Governor training; thus allowing governors to share good practice.
- Clerk communicating with Chair effectively.
- Recruitment drive, volunteers targeted with appropriate skills.

An internal self-evaluation was carried out in the year to 31 August 2019, the Board of Trustees intends to conduct the next self-evaluation review during the forthcoming year.

The Finance Committee is a subcommittee of the main Board of Trustees. Its purpose is to review and regulate the schools internal systems.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Kirk	5	6
M Sudera	0	3
Rev T Day	6	6
S Hardy	5	6
D Brown	6	6
S L Thraves	2	2
A Parker-Bates	3	4
S Patterson	0	1

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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:

- Regularly reviewing data in governing body meetings to monitor the impact of activities and funding streams
- Conducting financial benchmarking to compare the school's performance against that of similar schools
- Regularly reviewing contracts and service level agreements, Procurement and planning
- Streamlining financial systems
- Ensuring effective deployment of resources
- Better purchasing

The purpose of the system of internal control

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

Capacity to handle risk

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

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

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

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

On an annual basis, the internal auditor reports to the board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The latest internal audit visit was in July 2019. No material control issues were identified as a result of the internal auditor's review work.

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 auditor;
- the work of the external auditors;
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Rev T Day
Chair of Trustees

S Kirk
Accounting Officer

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

S Kirk
Accounting Officer
Date: 5 December 2019

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

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

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

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

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

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

Rev T Day
Chair of Trustees

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL (CONTINUED)**

Luke Turner ACA FCCA (Senior Statutory Auditor)

for and on behalf of
Magma Audit LLP

Chartered Accountants
Statutory Auditors

Unit 2, Charnwood Edge Business Park

System Road

Cossington

Leicestershire

LE7 4UZ

16 December 2019

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Church Hill Church of England Junior School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Church Hill Church of England Junior School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Church Hill Church of England Junior School's funding agreement with the Secretary of State for Education dated 1 November 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURCH
HILL CHURCH OF ENGLAND JUNIOR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Reporting Accountant

Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: 16 December 2019

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £	
Income from:						
Donations and capital grants	3	-	899	107,599	108,498	8,912
Charitable activities	4	-	1,390,415	-	1,390,415	1,283,679
Other trading activities	5	33,833	-	-	33,833	32,576
Investments	6	30	-	-	30	34
		<u>33,863</u>	<u>1,391,314</u>	<u>107,599</u>	<u>1,532,776</u>	<u>1,325,201</u>
Expenditure on:						
Raising funds		25,255	-	-	25,255	17,789
Charitable activities		-	1,433,827	60,895	1,494,722	1,354,656
	7	<u>25,255</u>	<u>1,433,827</u>	<u>60,895</u>	<u>1,519,977</u>	<u>1,372,445</u>
Net income/ (expenditure)		<u>8,608</u>	<u>(42,513)</u>	<u>46,704</u>	<u>12,799</u>	<u>(47,244)</u>
Transfers between funds	17	(6,715)	(28,130)	34,845	-	-
Net movement in funds before other recognised gains/(losses)		<u>1,893</u>	<u>(70,643)</u>	<u>81,549</u>	<u>12,799</u>	<u>(47,244)</u>
Other recognised gains/(losses):						
Actuarial losses/gains on defined benefit pension schemes	23	-	(191,000)	-	(191,000)	98,000
Net movement in funds		<u>1,893</u>	<u>(261,643)</u>	<u>81,549</u>	<u>(178,201)</u>	<u>50,756</u>
Reconciliation of funds:						
Total funds brought forward		68,139	(269,163)	236,575	35,551	(15,205)
Net movement in funds		1,893	(261,643)	81,549	(178,201)	50,756
Total funds carried forward		<u>70,032</u>	<u>(530,806)</u>	<u>318,124</u>	<u>(142,650)</u>	<u>35,551</u>

The notes on pages 30 to 55 form part of these financial statements.

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL

(A company limited by guarantee)

REGISTERED NUMBER: 08242856

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	317,947	236,575
		<u>317,947</u>	<u>236,575</u>
Current assets			
Debtors	14	162,599	61,036
Cash at bank and in hand		216,622	297,111
		<u>379,221</u>	<u>358,147</u>
Creditors: amounts falling due within one year	15	(87,343)	(105,171)
Net current assets		291,878	252,976
Total assets less current liabilities		609,825	489,551
Creditors: amounts falling due after more than one year	16	(26,475)	-
Net assets excluding pension liability		583,350	489,551
Defined benefit pension scheme liability	23	(726,000)	(454,000)
Total net assets		(142,650)	35,551
Funds of the Academy			
Restricted funds:			
Fixed asset fund	17	318,124	236,575
Restricted income fund	17	195,194	184,837
Restricted funds excluding pension liability	17	513,318	421,412
Pension reserve	17	(726,000)	(454,000)
Total restricted funds	17	(212,682)	(32,588)
Unrestricted income funds	17	70,032	68,139
Total funds		(142,650)	35,551

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

Rev T Day
Chair of Trustees

The notes on pages 30 to 55 form part of these financial statements.

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(78,945)	75,122
Cash flows from investing activities			
	21	(34,638)	(32,043)
Cash flows from financing activities			
	20	33,094	-
Change in cash and cash equivalents in the year		(80,489)	43,079
Cash and cash equivalents at the beginning of the year		297,111	254,032
Cash and cash equivalents at the end of the year	22	216,622	297,111

The notes on pages 30 to 55 from part of these financial statements

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Church Hill Church of England Junior School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 institution with whom the funds are deposited.

1.6 Taxation

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

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

CHURCH HILL CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold improvements	- 5% Straight line
Fixtures and fittings	- 15% Straight line
Fixtures and fittings - windows	- 10% Straight line
Computer equipment	- 25% Straight line

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

1.8 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.

1.9 Liabilities

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

1.10 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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1. Accounting policies (continued)

1.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

2. Critical accounting estimates and areas of judgment

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

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.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.7 or the useful economic lives for each class of assets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Capital grants	-	107,599	107,599
Donations	899	-	899
Total 2019	899	107,599	108,498

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	-	7,533	7,533
Capital Grants	1,379	-	1,379
Total 2018	1,379	7,533	8,912

4. Funding for the Academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,254,141	1,254,141	1,159,291
Other DfE Group grants	116,470	116,470	108,597
	1,370,611	1,370,611	1,267,888
Other government grants			
Local authority grants	19,804	19,804	12,891
	19,804	19,804	12,891
Other funding			
Other grants	-	-	2,900
	1,390,415	1,390,415	1,283,679

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising income	1,888	1,888	1,202
Other income	4,828	4,828	5,710
Consultancy income including ICT services	13,361	13,361	14,358
Pre and after school and other clubs	13,756	13,756	11,306
	<u>33,833</u>	<u>33,833</u>	<u>32,576</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>30</u>	<u>30</u>	<u>34</u>

7. Expenditure

	Staff Costs 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:			
Allocated support costs	19,641	5,614	25,255
Educational Operations:			
Direct costs	1,060,473	126,366	1,186,839
Allocated support costs	135,260	172,623	307,883
Total 2019	<u>1,215,374</u>	<u>304,603</u>	<u>1,519,977</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	1,186,839	307,883	1,494,722
	<u>1,186,839</u>	<u>307,883</u>	<u>1,494,722</u>
	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational Operations	1,075,902	278,754	1,354,656
	<u>1,075,902</u>	<u>278,754</u>	<u>1,354,656</u>

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
LGPS pension interest cost (£34,000) less return on assets (£21,000)	13,000	13,000
Staff costs	1,060,238	967,835
Agency support staff	235	189
Educational supplies	54,128	35,709
Staff development	6,535	5,995
Depreciation	45,671	41,939
Technology costs	7,032	11,235
	<u>1,186,839</u>	<u>1,075,902</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	135,260	110,990
Catering	17,002	13,772
Recruitment	-	600
Maintenance of premises and equipment	19,852	19,669
Cleaning	4,001	4,629
Rates	14,897	10,983
Insurance	9,252	18,403
Depreciation	15,224	13,980
Bank charges	335	380
Other support costs	52,339	46,253
Technology costs	1,906	1,651
Energy costs	17,369	17,651
Governance	20,445	19,793
	<u>307,883</u>	<u>278,754</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,576	2,576
Depreciation of tangible fixed assets	60,895	55,919
Fees paid to auditors for:		
- audit	6,200	6,100
- other services	1,160	1,115
	<u>60,895</u>	<u>55,919</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	906,848	829,295
Social security costs	74,839	67,473
Pension costs	233,452	196,415
	<hr/> 1,215,139	<hr/> 1,093,183
Agency staff costs	235	189
	<hr/> 1,215,374 <hr/>	<hr/> 1,093,372 <hr/>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	17	17
Administration and support	31	22
Management	1	1
	<hr/> 49 <hr/>	<hr/> 40 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
	<u> </u>	<u> </u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 pension contributions for this staff member amounted to £11,482 (2018: £11,012).

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £183,142 (2018: £180,614). These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.

11. Trustees' remuneration and expenses

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

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

S Kirk (Headteacher and Trustee)	
Remuneration	£65,000 - £70,000 (2018: £70,000 - £75,000)
Employer's pension contributions	£10,000 - £15,000 (2018: £10,000 - £15,000)
M Sudera (Assistant Head and Trustee)	
Remuneration	£25,000 - £30,000 (2018: £20,000 - £25,000)
Employer's pension contributions	£0 - £5,000 (2018: £5,000 - £10,000)
D Brown (Assistant Head and Trustee)	
Remuneration	£45,000 - £50,000 (2018: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000 (2018: £5,000 - £10,000)

During the year ended 31 August 2019, no Trustee received any reimbursement of expenses (2018: £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Trustees' and officers' insurance

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 £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £284 (2018 - £266). The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	-	343,244	92,683	435,927
Additions	107,401	21,416	13,450	142,267
Disposals	-	-	(14,200)	(14,200)
At 31 August 2019	<u>107,401</u>	<u>364,660</u>	<u>91,933</u>	<u>563,994</u>
Depreciation				
At 1 September 2018	-	124,485	74,867	199,352
Charge for the year	-	44,908	15,987	60,895
On disposals	-	-	(14,200)	(14,200)
At 31 August 2019	<u>-</u>	<u>169,393</u>	<u>76,654</u>	<u>246,047</u>
Net book value				
At 31 August 2019	<u>107,401</u>	<u>195,267</u>	<u>15,279</u>	<u>317,947</u>
At 31 August 2018	<u>-</u>	<u>218,759</u>	<u>17,816</u>	<u>236,575</u>

See note 1.3 regarding assets transferred on conversion.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	9,050	-
VAT recoverable	31,213	4,300
Prepayments and accrued income	122,336	56,736
	162,599	61,036
	162,599	61,036

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	6,619	-
Trade creditors	138	-
Other taxation and social security	16,814	14,004
Other creditors	42,186	38,033
Accruals and deferred income	21,586	53,134
	87,343	105,171
	87,343	105,171

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	26,475	-
	26,475	-

The above creditor relates to Condition Improvement Fund loans as approved by the Education and Skills Funding Agency. The loan attracts an interest rate of 2.01% and repayable over a period of 5 years up to 31 August 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Before school clubs	6,393	6,667	(2,508)	(6,715)	-	3,837
Lollipops	800	1,888	(800)	-	-	1,888
	<u>7,193</u>	<u>8,555</u>	<u>(3,308)</u>	<u>(6,715)</u>	<u>-</u>	<u>5,725</u>
General funds						
General funds	<u>60,946</u>	<u>25,308</u>	<u>(21,947)</u>	<u>-</u>	<u>-</u>	<u>64,307</u>
Total Unrestricted funds	<u>68,139</u>	<u>33,863</u>	<u>(25,255)</u>	<u>(6,715)</u>	<u>-</u>	<u>70,032</u>
Restricted general funds						
General Annual Grant (GAG)	181,937	1,254,141	(1,213,754)	(28,130)	-	194,194
Pupil Premium	-	83,171	(83,171)	-	-	-
Other DfE Group grants	-	33,299	(33,299)	-	-	-
Other government grants	-	19,804	(19,804)	-	-	-
Other grants	2,900	-	(1,900)	-	-	1,000
Other donations	-	899	(899)	-	-	-
Pension reserve	(454,000)	-	(81,000)	-	(191,000)	(726,000)
	<u>(269,163)</u>	<u>1,391,314</u>	<u>(1,433,827)</u>	<u>(28,130)</u>	<u>(191,000)</u>	<u>(530,806)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
DfE Group capital grants	17,974	20,837	(12,261)	6,715	-	33,265
Other government grants	-	9,543	(1,431)	-	-	8,112
Transfer from Local Authority	2,738	-	(2,738)	-	-	-
Condition Improvement Fund	137,132	77,219	(23,257)	28,130	-	219,224
Capital expenditure from GAG	78,731	-	(21,208)	-	-	57,523
	<u>236,575</u>	<u>107,599</u>	<u>(60,895)</u>	<u>34,845</u>	<u>-</u>	<u>318,124</u>
Total Restricted funds	<u>(32,588)</u>	<u>1,498,913</u>	<u>(1,494,722)</u>	<u>6,715</u>	<u>(191,000)</u>	<u>(212,682)</u>
Total funds	<u><u>35,551</u></u>	<u><u>1,532,776</u></u>	<u><u>(1,519,977)</u></u>	<u><u>-</u></u>	<u><u>(191,000)</u></u>	<u><u>(142,650)</u></u>

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

Designated funds

The before school clubs fund has been set up to be used for educational resources for the children.

The lollipops fund has been set up to fund new resources for the library.

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds were fully spent during the year.

The DfE Group restricted funds grants consist of PE Sports Grant and Teacher Pay Grant which has been fully spent during the year.

Other government grants consists of Special Educational Needs (SEN) funding which has been fully spent during the year.

Other grants consists of income received from Alderman Newton's Educational Foundation which was originally received towards the cost of a Reflective Garden at the school. The carry forward relates to unspent funds for the project.

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17. Statement of funds (continued)

Other donations consist of income received from Church Hill Friends towards various educational costs incurred within the year. All funds were fully spent during the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned plus unspent funds.

Other government grants relate to funding received from the Community Fund towards an outdoor learning community garden. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to the value of £46,136 (moveable assets) transferred from the local authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

The Condition Improvement Fund (CIF) relates to funding received in relation to replacement windows/doors and toilet refurbishment works. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

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

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Designated funds					
Before school clubs	-	6,393	-	-	6,393
Lollipops	-	800	-	-	800
	<u>-</u>	<u>7,193</u>	<u>-</u>	<u>-</u>	<u>7,193</u>
General funds					
General Funds	53,318	25,417	(17,789)	-	60,946
Total Unrestricted funds	<u>53,318</u>	<u>32,610</u>	<u>(17,789)</u>	<u>-</u>	<u>68,139</u>

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17. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	146,818	1,159,291	(1,092,095)	-	181,937
Pupil Premium	20,775	89,457	(110,232)	-	-
Other DfE Group grants	-	19,140	(19,140)	-	-
Other government grants	-	12,891	(12,891)	-	-
Other grants	-	2,900	-	-	2,900
Other donations	-	1,379	(1,379)	-	-
Pension reserve	(489,000)	-	(63,000)	98,000	(454,000)
	<u>(321,407)</u>	<u>1,285,058</u>	<u>(1,298,737)</u>	<u>98,000</u>	<u>(269,163)</u>
Restricted fixed asset funds					
DfE Group capital grants	15,900	7,533	(5,459)	-	17,974
Transfer from Local Authority	6,027	-	(3,289)	-	2,738
Condition Improvement Fund	160,389	-	(23,257)	-	137,132
Capital expenditure from GAG	70,568	-	(23,914)	-	78,731
	<u>252,884</u>	<u>7,533</u>	<u>(55,919)</u>	<u>-</u>	<u>236,575</u>
Total Restricted funds	<u>(68,523)</u>	<u>1,292,591</u>	<u>(1,354,656)</u>	<u>98,000</u>	<u>(32,588)</u>
Total funds	<u><u>(15,205)</u></u>	<u><u>1,325,201</u></u>	<u><u>(1,372,445)</u></u>	<u><u>98,000</u></u>	<u><u>35,551</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	317,947	317,947
Current assets	70,032	295,309	177	365,518
Creditors due within one year	-	(87,342)	-	(87,342)
Creditors due in more than one year	-	(12,773)	-	(12,773)
Pension scheme liability	-	(726,000)	-	(726,000)
Total	<u>70,032</u>	<u>(530,806)</u>	<u>318,124</u>	<u>(142,650)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	236,575	236,575
Current assets	68,139	290,008	-	358,147
Creditors due within one year	-	(105,171)	-	(105,171)
Pension scheme liability	-	(454,000)	-	(454,000)
Total	<u>68,139</u>	<u>(269,163)</u>	<u>236,575</u>	<u>35,551</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	12,799	(47,244)
Adjustments for:		
Depreciation	60,895	55,919
Capital grants from DfE and other capital income	(107,599)	(7,533)
Interest receivable	(30)	(34)
Defined benefit pension scheme cost less contributions payable	68,000	50,000
Defined benefit pension scheme finance cost	13,000	13,000
Increase in debtors	(101,563)	(984)
(Decrease)/increase in creditors	(24,447)	11,998
Net cash (used in)/provided by operating activities	(78,945)	75,122

20. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	33,094	-
Net cash provided by financing activities	33,094	-

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	30	34
Purchase of tangible fixed assets	(142,267)	(39,610)
Capital grants from DfE Group and other capital income	107,599	7,533
Net cash used in investing activities	(34,638)	(32,043)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	216,622	297,111
Total cash and cash equivalents	216,622	297,111

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments

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

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

Contributions amounting to £20,020 were payable to the schemes at 31 August 2019 (2018 - £17,148) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £91,819 (2018 - £83,394).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £89,000 (2018 - £74,000), of which employer's contributions totalled £72,000 (2018 - £59,000) and employees' contributions totalled £17,000 (2018 - £15,000). The agreed contribution rates for future years are 24.4 - 25.4 per cent for employers and 5 - 12% for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.3	3.4
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.4
Commutation of pensions to lump sums	50	50

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.4	24.3
<i>Retiring in 20 years</i>		
Males	22.2	23.8
Females	24.7	26.2

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate -0.5%	193	141
Salary increase rate +0.5%	29	25
Pension increase rate +0.5%	160	113

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23. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	481,400	438,000
Corporate bonds	257,300	190,000
Property	66,400	63,000
Cash and other liquid assets	24,900	14,000
Total market value of assets	830,000	705,000

The actual return on scheme assets was £48,000 (2018 - £30,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased).
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices. The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2018 for the year to 31 August 2019, or date of joining the fund if later).

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23. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(117,000)	(109,000)
Past service cost	(23,000)	-
Interest income	21,000	16,000
Interest cost	(34,000)	(29,000)
Total amount recognised in the Statement of financial activities	(153,000)	(122,000)

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

	2019 £	2018 £
At 1 September	1,159,000	1,104,000
Current service cost	117,000	109,000
Interest cost	34,000	29,000
Employee contributions	17,000	15,000
Actuarial losses/(gains)	218,000	(84,000)
Benefits paid	(12,000)	(14,000)
Past service costs	23,000	-
At 31 August	1,556,000	1,159,000

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

	2019 £	2018 £
At 1 September	705,000	615,000
Interest income	21,000	16,000
Actuarial gains	27,000	14,000
Employer contributions	72,000	59,000
Employee contributions	17,000	15,000
Benefits paid	(12,000)	(14,000)
At 31 August	830,000	705,000

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24. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	644	2,576
Later than 1 year and not later than 5 years	-	644
	644	3,220

25. Members' liability

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

26. Related party transactions

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

Expenditure Related Party Transactions

DFS Fixings Ltd - a company in which S Kirk's (Accounting Officer and Trustee) family has an interest:

- The academy purchased miscellaneous repair items from DFS Fixings Ltd totalling £116 (2018 - £NIL) during the period.
- There were no amounts outstanding at 31 August 2019 (2018 - £NIL).
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which S Kirk neither participated in nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

No other related party transactions took place in either the current or prior year, other than certain Trustee's remuneration already disclosed in note 11.

27. Connected charities

Church Hill Friends raise money for the academy and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the academy. The charity's net assets/reserves at 31 August 2019 were £2,282 (2018: £2,562). The charity's gross income for the year to 31 August 2019 was £2,197 (2018: £1,758), its expenditure was £1,333 (2018: £1,975) and its in year deficit was £864 (2018: £217 deficit).