

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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BUTTSBURY JUNIOR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr L Sheppard Mr B Beadon (resigned 23 September 2018) Mr A Breathwick Mrs J Hamilton-Morris (appointed 17 July 2019) Mrs A McGibbon (resigned 18 December 2018) Mr M McGowan Mrs C Ramsden (resigned 2 September 2019) Mrs S Wright (resigned 16 January 2019) Mr S Harbrow Dr S Lague Mr A Mears Dr S Warhurst (appointed 10 May 2019) Mrs S Cheesman (appointed 3 April 2019)
Trustees	Mrs A Robinson, Headteacher Mr L Sheppard, Chair of Finance & Facilities Committee Mr B Beadon (resigned 23 September 2018) Mr A Breathwick, Vice Chair Mrs J Hamilton-Morris (appointed 17 July 2019) Mrs A McGibbon (resigned 18 December 2018) Mr M McGowan, Chair of Governors Mrs C Ramsden (resigned 2 September 2019) Mrs S Wright (resigned 16 January 2019) Mr S Harbrow Dr S Lague Mr A Mears Dr S Warhurst (appointed 10 May 2019) Mrs S Cheesman (appointed 3 April 2019)
Company registered number	07601846
Company name	Buttsbury Junior School
Registered and principal office	Norsey View Drive Billericay Essex CM12 0QR
Accounting Officer	Mrs A Robinson

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

**Senior Management
Team**

Miss N Miller, Year 3 Leader
Mrs A Robinson, Headteacher
Miss J Featherstone, Year 5 Leader
Mr A Graves, Deputy Headteacher
Miss G Cutmore, Year 4 Leader
Miss S Carroll, Year 6 Leader
Mrs R Cheesman, Inclusion Manager

Independent Auditors

Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their Annual Report together with the financial statements and Auditor's Reports of Buttsbury Junior School (the Charitable Company, the Trust or the Academy) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates an academy school for pupils aged 7 to 11 serving a catchment area in Billericay. It has a pupil capacity of 496 and had a roll of 494 in the 2018 school census.

Structure, Governance and Management

Constitution

The Academy is a Company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are its primary governing documents. The Governors of Buttsbury Junior School are also Directors of the Charitable Company for the purposes of company law. The term Governor, Trustee and Director are interchangeable in this Report. The Charitable Company is known as Buttsbury Junior School (the School).

Details of the Governors (who served throughout the year except as noted) are included in the Reference and Administrative Details section of this Report.

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.

Governors' Indemnities

Academy insurers encompass all relevant insurance including Governor third party indemnity provision.

Methods of Recruitment and Appointment or Election of Governors

Governors are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Governors and Staff Governors are elected to office. In the event of insufficient candidates offering themselves for election as Parent Governors, the Governing Body may appoint Parent Governors. The Articles of Association make provision for; a minimum of 2 and a maximum of 7 Community Governors; a minimum of 2 and a maximum of 5 Parent Governors; a maximum of 2 Staff Governors; the Headteacher; a maximum of 3 Co-opted Governors; any additional Governors appointed by the Secretary of State.

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors are required to attend an induction programme that typically involves a tour of the School and meetings with students and staff. They are provided with copies of the relevant policy and procedure documents that are appropriate to the role they undertake as Governors, with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy income and costs against the budget, reviewing progress towards educational objectives and results and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. They also agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

The Headteacher is the Accounting Officer and has overall responsibility for day to day financial management.

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

The Leadership Team consists of the Headteacher, Deputy Headteacher, Assistant Headteacher, Year Group Heads and the Inclusion Manager. This team controls the Academy at an executive level, implementing policies and reporting to the Governing Body. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff, following vetting and safeguarding recruitment processes. Each member of the Leadership Team has specific responsibilities to assist the Headteacher to manage specific aspects of the Academy.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel are decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the full Governing Body.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is possible that from time to time transactions will take place with organisations in which a member of the Governing Body may have an interest. Further, the Academy has formal or informal arrangements with several connected organisations. These include the Billericay Community Trust (BCT), Billericay SCITT, Teaching Schools Alliance, First Strokes Swimming, Winger Sports, Working for Children, Elites Swimming and William de Ferrers Sports Partnership. All transactions involving these organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. The Academy has not undertaken transactions above £2,500 with any organisation where a member of the Governing Body has a significant financial interest.

The Trust does not have a formal sponsor.

Objectives and Activities

Objective

The School's overriding objective is to provide free education and care for pupils of different abilities between the ages of 7 and 11.

Activities

It seeks to achieve this objective by:

- establishing high quality teaching, learning and assessment;
- providing a broad and balanced curriculum and a wide range of extra-curricular activities;
- care, guidance and support of students; and
- strong, effective leadership and management.

Our success in performing these activities can be measured by:

- strong performance in SATS results;
- positive Ofsted inspection (September 2018) ;
- positive comments and feedback from parents and other stakeholders; and
- children's enjoyment in coming to School and their positive responses in pupil questionnaires.

Public Benefit

The Governors confirm that in exercising their powers or duties they have referred to and follow the guidance contained in the Charity Commission's guidance on public benefit.

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

Strategic Report

Achievements and Performance

The Academy continued its mission to ensure that all students achieved their potential; it provided a wide range of extra-curricular activities, developed and retained suitable staff and successfully prepared students for transfer to secondary education.

The School continued to implement its robust development plan to bring about rapid improvements in all aspects of school life. The success of the plan can be measured by the School's self-evaluation as 'Outstanding' (supported by independent external validation) at the end of the academic year.

Academic performance

The Academy continues to operate at a very high level academically and compares very favourably to national data and also shows an improving trend over time. Highlights from 2019 are:

	Percentage attaining the expected standard (2018 results in brackets)		Percentage above national average (2018 results in brackets)
Grammar, Punctuation and Spelling	89% (88%)	+1%	11% (10%) +1%
Reading	85% (86%)	-1%	12% (11%) +1%
Writing *	92% (85%)	+7%	14% (7%) +7%
Maths	89% (88%)	+1%	10% (12%) -2%
Reading, Writing and Maths combined	79% (77%)	+2%	14% (15%) -1%

* Writing attainment is teacher-assessed

Sporting performance

The various sports teams had another very successful year:

- We were awarded the Sportsmark Platinum Award for the first time, having achieved the Gold Award for five consecutive years.
- Both the Year 3/4 and Year 5/6 teams won the County Swimming Championship again; we also were runners up in the Year 3/4 and Year 5/6 County Tennis Championships for the first time; we won the Year 5 Girls' County Cross County Championships and were runners up in Year 4 and Year 5 Boys.
- We won the District Sports.
- 77% of children participated in at least one sporting club per week.
- Regular inter-house competitions enabled all children to participate in competitive sport.
- We have maintained our Enhanced Healthy Schools status.

Performance in Music

The Academy has had another very successful year in terms of music with a large number of children passing external examinations in a wide range of instruments. Both school choirs continue to flourish, with the Year 5/6 choir being invited to perform in a special concert at King Edward VI Grammar School in Chelmsford, alongside two adult choirs. Over 110 children performed as members of the choirs. A further 20 played instruments in our summer concert.

Community Involvement and Fundraising

The Academy has strengthened its links with the Billericay Rotary Club and our Rotakids have been heavily involved in a number of community events, such as: the Christmas Market and SummerFest. A strong link has been made with The Ark Day Care Centre for adults with dementia and fundraising activities have accrued over £3,890 for the RSPCA.

On the Facilities front:

- Air conditioning was installed in our upstairs classrooms
- The external walls of our CAT Club demountable were painted
- The main hall was redecorated
- Several group rooms, such as the medical room and the staff room were redecorated
- Grounds work was undertaken, e.g. trees cut back and grass areas re-turfed or seeded

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

Key Performance Indicators (KPIs)

Academic Indicators	2018/19	2017/18	2016/17
Standardised progress measure in Maths	-0.3	+0.6	+1.1
Standardised progress measure in Reading	0.0	+0.2	-0.7
Standardised progress measure in Writing	+1.4	- 0.5	+1.5
Attaining/exceeding expected standard in GPS	89%	88%	81%
Attaining/exceeding expected standard in Reading	85%	86%	76%
Attaining/exceeding expected standard in Maths	89%	88%	83%
Attaining/exceeding standard in Reading, Writing & Maths	79%	77%	73%
Attendance Level (Target 97.7%)	97.4%	97.4%	97.4%

Financial Indicators

Income KPIs	2018-19	2017-18	2016-17
Total Revenue Income Per Pupil	£4,206	£4,107	£4,114
GAG Income per Pupil	£3,315	£3,484	£3,329
GAG Income as a % of Total Revenue Income	86%	85%	84%

Expenditure KPIs	2018-19	2017-18	2016-17
Staff Costs as % of Total Revenue Income	77%	79%	76%
Teaching Staff Costs as % of Total Revenue Income	64%	62%	63%
Teaching Staff Costs as % of Total Staff Costs	83%	78%	84%
Total Expenditure as a % of Total Revenue Income (excluding capital costs)	109%	108%	123%

Balance Sheet KPIs	2018-19	Target KPI
Cash Balances as a % of Total Income	16%	>10%
Current Assets to Current Liabilities	3.5 times	1.2 – 3.5 times

Going Concern

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

Financial Review

Source of Funding

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFSA. For the period ended 31 August 2019 the Academy received £1,637,509 in GAG funding. A high percentage of this funding is spent on wages, salaries and support costs to deliver the Academy's primary objective of the provision of education.

During the year the Trust incurred expenditure (excluding depreciation and LGPS movements) of £2,122,604 and transferred £9,623 to support capital new build and improvement projects on the School site. Excluding restricted fixed assets and the restricted LGPS fund liability, the Academy brought forward from 2017/18, £297,511 in unrestricted funds. The carry forward for 2018/19 is £251,132 unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,225,000. This does not mean that an immediate liability for this amount crystallises. Such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making payments as agreed with scheme administrators towards the deficit and it is envisaged that should this amount be increased it will be met from the Academy's budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy.

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

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £251,132.

The Academy's Reserves Policy states that non-earmarked reserves equating to 3% of total funds should be held, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. This works out at £7,534.

Deducting the above long-term reserves and non-earmarked reserves leaves £243,598 of free reserves. Governors have earmarked this as follows:

- £243,598 held but not designated as contingency in the light of the current declining funding conditions

Investment Policy

The Governor's regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

The Academy's investment policy states that funds surplus to the above needs can be placed in an interest-bearing account. This year the Governors have kept £150,000 of the Academy's reserves in two 3-month notice accounts.

Principal Risks and Uncertainties

The Governors assess the principal risks and uncertainties facing the Academy as follows:

- Staff retention: In order to deliver the best quality learning experience for our children it is critical we retain the best staff and continue to keep them motivated and enthusiastic. However, it is not felt that there are any immediate threats in this regard.
- Material decrease in income affecting provision: This is highly likely. The budget for 2019/20 is sound and the medium-term financial plan shows adequate contingency against unwelcome future developments, but the longer term position is of concern.
- Falling rolls: If the number on roll was to fall unexpectedly it could have an adverse impact on the Academy's ability to balance the budget. However, the Academy has traditionally enjoyed a full roll and expects to continue to do so.
- Building repairs: The main buildings are a substantial way through their originally anticipated useful life and thus may require expected repair and renovation that has not been budgeted for. To date we have successful with capital bids when such work has been necessary
- Bank balances & investments: There is no significant risk other than an institution ceasing to trade.
- Debtors: There are no material debtors.
- The Academy's credit rating: This is not in jeopardy, though it has no need for credit facilities.
- The Academy's cash flow: This is healthy and long-term financial planning predicts it will remain so.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels. The last Ofsted inspection (short) in September 2018 rated the School as 'Good with the potential to be Outstanding' so a full inspection will be performed no later than March 2020. The School's self-evaluation (moderated by external feedback) rates the school as 'Outstanding'.

The Governors intend to enhance and expand facilities in pursuance of the Academy's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing needs to allow them full access to the curriculum and that adjustments to learning environments may be required to meet these needs.

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

Funds held as a Custodian Trust on Behalf of Others

The Academy holds, receives, and distributes funds on behalf of the Billericay Community Trust. These funds are held in a separate bank accounts and the income and expenditure of this Trust are not incorporated in to the financial statements of the Academy. Further information can be found in note 26.

Auditors

Provision of Information to auditors

Each of the persons who were Governors at the time when this Governors' Report was approved has confirmed that:

- So far as that Governor is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- That Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish that the Charitable Company's Auditors are aware of that information

Reappointment of Auditors

The Auditors, Price Bailey LLP, indicated their willingness to continue in office. The Members will propose a motion reappointing the Auditors at a meeting of the Members.

This Report, incorporating a Strategic Report, was approved by the Governing Body and signed on its behalf by:

Mr M McGowan
Chair of Trustees
Date: 12 December 2019

BUTTSBURY JUNIOR SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Buttsbury 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 Governing Body 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 Buttsbury Junior School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 4 times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Robinson, Headteacher	4	4
Mr L Sheppard, Chair of Audit & Finance committee	2	4
Mr B Beadon	0	0
Mr A Breathwick, Vice Chair	4	4
Mrs J Hamilton-Morris	3	4
Mrs A McGibbon	1	2
Mr M McGowan, Chair of Governors	4	4
Mrs C Ramsden	1	4
Mrs S Wright	0	2
Mr S Harbrow	3	4
Dr S Lague	4	4
Mr A Mears	4	4
Dr S Warhurst	1	1
Mrs S Cheesman	2	2

Mr B Beadon, Mrs A McGibbon, Mrs C Ramsden and Mrs S Wright resigned as Trustees in the year and Dr S Warhurst and Mrs S Cheesman were both appointed.

The Governing Body carried out a second self-evaluation this year, following on from the external review we commissioned two years ago. Our evaluation was based on review and analysis of our established Governor Self-Evaluation Form. We continue to focus on governance succession planning and seeking out perceived governance good practice.

We plan to have an external evaluation in the coming year.

The Audit and Finance Committee is also a sub-committee of the Governing Body. Its purpose is to address audit and related finance matters. During the year it:

- resolved issues identified in the termly Internal Control Reports received from the Essex County Council Internal Audit service. No significant concerns were raised.
- received the audit of the 2017/18 accounts. There were no major issues to address arising from the audit.

BUTTSBURY JUNIOR SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Breathwick	5	6
Dr S Lague	6	6
Mr M McGowan	5	6
Mr A Mears	4	6
Mrs A Robinson	6	6
Mr L Sheppard	5	6
Mrs S Wright	1	2

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.

Throughout each academic year the Accounting Officer considers whether the Trust's use of its resources is providing good value for money (for example by the use of benchmarking data where available), and reports this to the Governing Body, highlighting any opportunities where value for money can be improved.

The Accounting Officer for the Academy has ensured delivery of value for money during the year by:

- **Improving outcomes by ensuring effectiveness of interventions:**
Following the appointment of a new Inclusion Manager in September 2018, the School undertook a comprehensive review of the additional support provided for children with SEND. As a result, the number of groups was reduced and specific staff, with expertise in key areas, were selected to lead the groups. The impact of this was that the progress rate for children with SEND increased and financial savings were made.
- **Actively seeking alternative providers**
The School reviewed its cleaning contract this year and went out to tender in the autumn term. Competitive tenders were received – the School made the decision to stay with its current provider as they demonstrated the best value for money.
- **Responding pro-actively to the challenges presented by reductions in income and increased fixed costs of pensions:**
Like all academies, Buttsbury Junior School's budget has been reduced this year and the School also faces the problem of increased employment costs. The Governors have been robust in their challenge of spending and budget allocation to ensure that the School was able to set a balanced budget for 2019-2020. Looking forward, careful financial planning, via a three-year plan, helps the School to ensure that it will continue to provide good value for money over a sustained period.
- **Reviewing value for money of sickness insurance**
The withdrawal of the Essex Sickness Insurance scheme meant the School needed to consider selecting an alternative provider. Quotes were obtained and a cost/benefit analysis conducted, as a result of which Governors opted to self-insure for nearly all sickness absences.

The School is always looking for ways to generate or access additional income. This year, the school has reviewed lettings rates to keep them in line with current market rates and increased the use of the school for regular evening lettings.

BUTTSBURY JUNIOR SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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 Buttsbury 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 Governing Body 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 Governing Body 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 Governing Body.

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 Governing Body;
- regular reviews by the Audit and Finance 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; and
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to reappoint Essex 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. The checks to be performed during the year were agreed with Essex County Council, focusing on the operation of the systems of control and on the discharge of Governors' financial responsibilities

On a termly basis, the Internal Auditor visits the School and produces a report for the Audit and Finance Committee.

The agreed schedule of works was delivered as planned. No material control issues were identified.

BUTTSBURY JUNIOR SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the Internal 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 Audit and 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 Governing Body and signed on their behalf by:

Mr M McGowan
Chair of Trustees
Date: 12 December 2019

Mrs A Robinson
Accounting Officer
Date: 12 December 2019

BUTTSBURY JUNIOR SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Buttsbury Junior School I have considered my responsibility to notify the Academy Governing Body 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 Governing Body 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 Governing Body and ESFA.

Mrs A Robinson
Accounting Officer
Date: 12 December 2019

BUTTSBURY JUNIOR SCHOOL
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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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 of the Governing Body and signed on its behalf by:

Mr M McGowan
Chair of Trustees
Date: 12 December 2019

BUTTSBURY JUNIOR SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUTTSBURY JUNIOR SCHOOL**

Opinion

We have audited the financial statements of Buttsbury 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', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUTTSBURY 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 Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

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.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street

Bishop's Stortford
Hertfordshire
CM23 3BT

17 December 2019

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 5 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Buttsbury 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 Buttsbury 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 Buttsbury 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 Buttsbury Junior School and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Buttsbury Junior School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Buttsbury Junior School's funding agreement with the Secretary of State for Education dated 1 May 2011 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.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant

Price Bailey LLP

Date: 17 December 2019

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	132,648	28,470	161,118	132,792
Charitable activities	4	128,340	1,777,837	-	1,906,177	1,848,880
Other trading activities	5	36,518	-	-	36,518	45,010
Investments	6	2,475	-	-	2,475	2,333
Total income		<u>167,333</u>	<u>1,910,485</u>	<u>28,470</u>	<u>2,106,288</u>	<u>2,029,015</u>
Expenditure on:						
Charitable activities	7	213,712	2,011,422	149,054	2,374,188	2,328,669
Total expenditure		<u>213,712</u>	<u>2,011,422</u>	<u>149,054</u>	<u>2,374,188</u>	<u>2,328,669</u>
Net expenditure		<u>(46,379)</u>	<u>(100,937)</u>	<u>(120,584)</u>	<u>(267,900)</u>	<u>(299,654)</u>
Transfers between funds	18	-	(9,623)	9,623	-	-
Net movement in funds before other recognised gains/(losses)		<u>(46,379)</u>	<u>(110,560)</u>	<u>(110,961)</u>	<u>(267,900)</u>	<u>(299,654)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(174,000)	-	(174,000)	223,000
Net movement in funds		<u>(46,379)</u>	<u>(284,560)</u>	<u>(110,961)</u>	<u>(441,900)</u>	<u>(76,654)</u>
Reconciliation of funds:						
Total funds brought forward		297,511	(934,000)	3,323,481	2,686,992	2,763,646
Net movement in funds		(46,379)	(284,560)	(110,961)	(441,900)	(76,654)
Total funds carried forward		<u>251,132</u>	<u>(1,218,560)</u>	<u>3,212,520</u>	<u>2,245,092</u>	<u>2,686,992</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 47 form part of these financial statements.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)
Company Registration Number: 07601846

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	3,198,520	3,323,481
		3,198,520	3,323,481
Current assets			
Stocks	14	905	695
Debtors	15	46,709	43,211
Cash at bank and in hand		335,634	397,972
		383,248	441,878
Current liabilities			
Creditors: amounts falling due within one year	16	(107,511)	(139,161)
		275,737	302,717
Net current assets			
		3,474,257	3,626,198
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(4,165)	(5,206)
		3,470,092	3,620,992
Net assets excluding pension liability			
Defined benefit pension scheme liability	23	(1,225,000)	(934,000)
		2,245,092	2,686,992
Total net assets		2,245,092	2,686,992

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)
Company Registration Number: 07601846

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £	2018	2018 £
Funds of the Academy					
Restricted funds:					
Restricted fixed asset funds	18	3,212,520		3,323,481	
Restricted income funds	18	6,440		-	
		<u>3,218,960</u>		<u>3,323,481</u>	
Restricted funds excluding pension liability	18	3,218,960		3,323,481	
Pension reserve	18	(1,225,000)		(934,000)	
		<u>1,993,960</u>		<u>2,389,481</u>	
Total restricted funds	18		1,993,960		2,389,481
Unrestricted income funds	18		251,132		297,511
			<u>2,245,092</u>		<u>2,686,992</u>
Total funds			<u><u>2,245,092</u></u>		<u><u>2,686,992</u></u>

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

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

Mr M McGowan
Chair of Trustees
Date: 12 December 2019

The notes on pages 25 to 47 form part of these financial statements.

BUTTSBURY 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 operating activities	20	(55,190)	(76,402)
Cash flows from investing activities	21	(7,148)	(21,727)
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the year		(62,338)	(98,129)
Cash and cash equivalents at the beginning of the year		397,972	496,101
Cash and cash equivalents at the end of the year	22	<u><u>335,634</u></u>	<u><u>397,972</u></u>

The notes on pages 25 to 47 from part of these financial statements

BUTTSBURY 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.

Buttsbury Junior School meets the definition of a public benefit entity under FRS 102.

The Academy's functional and presentational currency is Pounds Sterling.

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.

1.3 Company status

The Academy is a Company limited by guarantee. Those Members who are Trustees are noted on page 3. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member.

1.4 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 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.

1.6 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 19.65 - 50 years
Furniture and fixtures	- 10 years
Plant and equipment	- 5 years

Freehold land is not depreciated

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.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Liabilities

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.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 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.

1.15 Agency arrangements

The Academy holds third party funds on behalf of the Billericay Community Trust (BCT). Payments received from the BCT and subsequent disbursements are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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.

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	132,648	-	132,648	123,223
Capital grants	-	28,470	28,470	9,569
Total 2019	<u>132,648</u>	<u>28,470</u>	<u>161,118</u>	<u>132,792</u>
Total 2018	<u>123,223</u>	<u>9,569</u>	<u>132,792</u>	

In 2018, donations received were entirely restricted.

In 2018, capital grants received were entirely to the restricted fixed asset fund.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,637,509	1,637,509	1,606,358
Other DfE / ESFA grants	-	81,068	81,068	81,922
	-	1,718,577	1,718,577	1,688,280
Other Government grants				
Local Authority grants	-	59,260	59,260	32,826
	-	59,260	59,260	32,826
Other funding				
Catering income	128,340	-	128,340	127,774
Total 2019	128,340	1,777,837	1,906,177	1,848,880
Total 2018	127,774	1,721,106	1,848,880	

In 2018, DfE / ESFA and other Government grants were entirely restricted.

In 2018, other funding was entirely unrestricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	29,075	29,075	29,844
Other income	7,443	7,443	15,166
Total 2019	36,518	36,518	45,010
Total 2018	45,010	45,010	

In 2018, all income from other trading activities was unrestricted.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest receivable	2,475	2,475	2,333
	<u>2,475</u>	<u>2,475</u>	<u>2,333</u>
Total 2018	<u>2,333</u>	<u>2,333</u>	

In 2018, all investment income was unrestricted.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	1,388,961	-	233,162	1,622,123	1,514,063
Allocated support costs	307,143	279,597	165,325	752,065	814,606
Total 2019	<u>1,696,104</u>	<u>279,597</u>	<u>398,487</u>	<u>2,374,188</u>	<u>2,328,669</u>
Total 2018	<u>1,607,573</u>	<u>276,272</u>	<u>444,824</u>	<u>2,328,669</u>	

In 2019, of the total expenditure, £213,712 (2018: £245,786) was from unrestricted funds, £2,011,422 (2018: £1,939,269) was from restricted funds and £149,054 (2018: £143,614) was from restricted fixed asset funds.

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

8. Extra note

	2019 £	2018 £
Direct costs	1,622,123	1,514,063
Support costs	752,065	814,606
	2,374,188	2,328,669
	2,374,188	2,328,669

	2019 £	2018 £
Analysis of support costs		
Support staff costs	307,143	307,756
Depreciation	134,584	134,045
Technology costs	3,776	1,225
Premises costs (excluding depreciation)	145,013	142,227
Other support costs	152,549	218,838
Governance	9,000	10,515
	752,065	814,606
	752,065	814,606

9. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	134,584	134,045
Fees paid to Auditors for:		
- audit	4,450	4,450
- other services	4,500	4,500
	4,950	4,950
	4,950	4,950

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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,279,492	1,206,060
Social security costs	96,922	93,513
Pension costs	316,723	305,454
	<u>1,693,137</u>	<u>1,605,027</u>
Agency staff costs	2,967	2,546
	<u><u>1,696,104</u></u>	<u><u>1,607,573</u></u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	20	20
Administration & Support	62	56
Management	2	3
	<u>84</u>	<u>79</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	17	17
Administration & Support	24	23
Management	2	3
	<u>43</u>	<u>43</u>

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

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits received by key management personnel for their services to the Trust was £426,791 (2018: £376,559). Key management personnel included 7 people in 2019 (2018: 6).

Included in the above are employer national insurance contributions of £37,867 (2018: £35,765) and employer pension contributions of £55,026 (2018: £48,499).

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 Accounting Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Accounting Officer and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mrs A Robinson, Accounting Officer	Remuneration	75,000 - 80,000	75,000 - 80,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

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

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2019 is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost or valuation				
At 1 September 2018	3,962,227	100,344	157,704	4,220,275
Additions	-	-	9,623	9,623
At 31 August 2019	<u>3,962,227</u>	<u>100,344</u>	<u>167,327</u>	<u>4,229,898</u>
Depreciation				
At 1 September 2018	722,743	55,326	118,725	896,794
Charge for the year	103,083	6,841	24,660	134,584
At 31 August 2019	<u>825,826</u>	<u>62,167</u>	<u>143,385</u>	<u>1,031,378</u>
Net book value				
At 31 August 2019	<u><u>3,136,401</u></u>	<u><u>38,177</u></u>	<u><u>23,942</u></u>	<u><u>3,198,520</u></u>
At 31 August 2018	<u><u>3,239,484</u></u>	<u><u>45,018</u></u>	<u><u>38,979</u></u>	<u><u>3,323,481</u></u>

Included in freehold property is land valued at £1,684,678 which has not been depreciated.

14. Stocks

	2019 £	2018 £
Goods for resale	<u>905</u>	<u>695</u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	-	1,636
Other debtors	5,846	5,510
Prepayments and accrued income	40,863	36,065
	<u>46,709</u>	<u>43,211</u>

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	24,033	23,015
Other creditors	37,575	32,925
Accruals and deferred income	45,903	83,221
	107,511	139,161
	107,511	139,161
	2019 £	2018 £
Deferred income at 1 September 2018	33,912	29,981
Resources deferred during the year	32,349	33,912
Amounts released from previous periods	(33,912)	(29,981)
	32,349	33,912
Deferred income at 31 August 2019	32,349	33,912

Deferred income in the year consists of catering income, trip income, swimming income and lettings paid in advance.

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

	2019 £	2018 £
Salix loan	4,165	5,206
	4,165	5,206

BUTTSBURY JUNIOR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	297,511	167,333	(213,712)	-	-	251,132
Restricted general funds						
General Annual Grant (GAG)	-	1,637,509	(1,627,886)	(9,623)	-	-
Other DfE and ESFA funding	-	81,068	(81,068)	-	-	-
Other Government grants	-	59,260	(59,260)	-	-	-
Restricted trip donations	-	92,710	(92,710)	-	-	-
Other donations	-	39,938	(33,498)	-	-	6,440
Pension reserve	(934,000)	-	(117,000)	-	(174,000)	(1,225,000)
	(934,000)	1,910,485	(2,011,422)	(9,623)	(174,000)	(1,218,560)
Restricted fixed asset funds						
Restricted fixed asset fund	3,323,481	-	(134,584)	9,623	-	3,198,520
DfE Group capital grants	-	28,470	(14,470)	-	-	14,000
	3,323,481	28,470	(149,054)	9,623	-	3,212,520
Total Restricted funds	2,389,481	1,938,955	(2,160,476)	-	(174,000)	1,993,960
Total funds	2,686,992	2,106,288	(2,374,188)	-	(174,000)	2,245,092

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

18. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have restrictions and may be used towards meeting any of the charitable objectives of the Academy.

Other Government grants

This represents funding received from other government bodies, local and national, which are restricted in nature.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Academy and the associated costs

Other DfE and ESFA funding

This represents funding received from the DfE and ESFA which is restricted in nature.

Pension reserve

This reserve represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

This represents the value of fixed assets held in line with the charitable objectives of the Academy. The transfer between funds represents additions purchased through GAG funding.

DfE Group capital grants

This represents funding received from the ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

Other donations

This represents small donations received in the year for specific purposes.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	368,180	175,117	(245,786)	-	-	297,511
Restricted funds						
General Annual Grant (GAG)	-	1,606,358	(1,582,298)	(24,060)	-	-
Other DfE/ESFA funding	-	81,922	(81,922)	-	-	-
Other Government grants	-	32,826	(32,826)	-	-	-
Restricted trip donations	-	93,237	(93,237)	-	-	-
Other donations	-	29,986	(29,986)	-	-	-
Pension reserve	(1,038,000)	-	(119,000)	-	223,000	(934,000)
	<u>(1,038,000)</u>	<u>1,844,329</u>	<u>(1,939,269)</u>	<u>(24,060)</u>	<u>223,000</u>	<u>(934,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	3,433,466	-	(134,045)	24,060	-	3,323,481
Devolved Formula Capital (DFC)	-	9,569	(9,569)	-	-	-
	<u>3,433,466</u>	<u>9,569</u>	<u>(143,614)</u>	<u>24,060</u>	<u>-</u>	<u>3,323,481</u>
Total restricted funds	<u>2,395,466</u>	<u>1,853,898</u>	<u>(2,082,883)</u>	<u>-</u>	<u>223,000</u>	<u>2,389,481</u>
Total funds	<u><u>2,763,646</u></u>	<u><u>2,029,015</u></u>	<u><u>(2,328,669)</u></u>	<u><u>-</u></u>	<u><u>223,000</u></u>	<u><u>2,686,992</u></u>

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,198,520	3,198,520
Current assets	251,132	112,911	19,205	383,248
Creditors due within one year	-	(106,471)	(1,040)	(107,511)
Creditors due in more than one year	-	-	(4,165)	(4,165)
Provisions for liabilities and charges	-	(1,225,000)	-	(1,225,000)
Total	<u>251,132</u>	<u>(1,218,560)</u>	<u>3,212,520</u>	<u>2,245,092</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	-	-	3,323,481	3,323,481
Current assets	297,511	138,121	6,246	441,878
Creditors due within one year	-	(138,121)	(1,040)	(139,161)
Creditors due in more than one year	-	-	(5,206)	(5,206)
Provisions for liabilities and charges	-	(934,000)	-	(934,000)
Total	<u>297,511</u>	<u>(934,000)</u>	<u>3,323,481</u>	<u>2,686,992</u>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(267,900)	(299,654)
Adjustments for:		
Depreciation	134,584	134,045
Interest receivable	(2,475)	(2,333)
Increase in stocks	(210)	(58)
(Increase)/decrease in debtors	(3,498)	8,988
Decrease in creditors	(32,691)	(36,390)
Pension adjustments	117,000	119,000
Net cash used in operating activities	(55,190)	(76,402)

21. Cash flows from investing activities

	2019 £	2018 £
Interest receivable	2,475	2,333
Purchase of tangible fixed assets	(9,623)	(24,060)
Net cash used in investing activities	(7,148)	(21,727)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	335,634	397,972
Total cash and cash equivalents	335,634	397,972

BUTTSBURY JUNIOR SCHOOL
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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 Essex 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.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £129,076 (2018 - £123,146).

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.

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £119,000 (2018 - £111,000), of which employer's contributions totalled £95,000 (2018 - £89,000) and employees' contributions totalled £ 24,000 (2018 - £22,000). The agreed contribution rates for future years are 23 percent for employers and 5.5 - 6.5 percent 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.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	1.7	2.3
Commutation of pensions to lump sums	50	50
Inflation assumption (RPI)	2.7	3.3

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23	24.5
Females	25.4	27.1

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(50,000)	(39,000)
Discount rate -0.1%	51,000	40,000
Mortality assumption - 1 year increase	87,000	58,000
Mortality assumption - 1 year decrease	(84,000)	(56,000)
CPI rate +0.1%	44,000	35,000
CPI rate -0.1%	(43,000)	(34,000)

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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	601,000	507,000
Gilts	52,000	42,000
Corporate bonds	54,000	46,000
Property	76,000	71,000
Cash and other liquid assets	28,000	27,000
Assets	93,000	71,000
Other funds	49,000	31,000
Total market value of assets	<u>953,000</u>	<u>795,000</u>

The actual return on scheme assets was £70,000 (2018 - £44,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(162,000)	(169,000)
Past service cost	(26,000)	(13,000)
Interest income	22,000	18,000
Interest cost	(46,000)	(44,000)
Total amount recognised in the Statement of Financial Activities	<u>(212,000)</u>	<u>(208,000)</u>

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

	2019 £	2018 £
At 1 September	1,729,000	1,689,000
Interest cost	46,000	44,000
Employee contributions	24,000	22,000
Actuarial losses/(gains)	222,000	(197,000)
Benefits paid	(31,000)	(11,000)
Past service costs	26,000	13,000
Current service cost	162,000	169,000
At 31 August	<u>2,178,000</u>	<u>1,729,000</u>

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	795,000	651,000
Interest income	22,000	18,000
Actuarial gains	48,000	26,000
Employer contributions	95,000	89,000
Employee contributions	24,000	22,000
Benefits paid	(31,000)	(11,000)
At 31 August	953,000	795,000

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	5,674	4,703
Later than 1 year and not later than 5 years	7,700	909
	13,374	5,612

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. Agency arrangements

The Academy holds funds on behalf of the Billericay Community Trust, a third party. In the accounting period ending 31 August 2019, the Academy received £92,688 (2018: £64,993) and disbursed £88,038 (2018: £107,268) from the fund. An amount of £36,535 (2018: £31,885) is included in other creditors relation to undistributed funds that are repayable to the Billericay Community Trust.

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27. Related party transactions

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

During the year, donations of £22,490 (2018: £19,550) were received from the Buttsbury Junior School Friends Association, a Charity of which Mrs A Robinson is also a Trustee.

During the year, income of £1,687 was received from and expenses of £1,895 were paid to Billericay Community Trust, a Charity of which Mr A Mears is also a Trustee.