

**Registered number: 08512087
(England and Wales)**

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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**BATTLING BROOK PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

K Turton
F Lucas
M Bingley
H Ablett

Trustees

H Ablett
M Bingley
J Cooling
F Lucas (Chair of Trustees)
K Turton
P Woolaston (Appointed on 13 July 2018)
J Welford
S Barnes (Appointed on 29 September 2017)
N Wileman (Appointed on 29 September 2017)
D Tampin (Appointed on 29 September 2017)
A Radford (Staff Trustee)
L Mathie (Staff Trustee)
S Marsden (Headteacher and Accounting Officer)

Company Secretary

J Burgess (Appointed on 2 November 2017)
A Puckey (Resigned on 30 September 2017)

Senior Leadership Team

S Marsden (Headteacher)
L Mathie (Deputy Headteacher)
F Bourne (Business Manager)

Company Name

Battling Brook Primary School

Principal and registered office

Frederick Avenue
Hinckley
Leicestershire
LE10 0EX

Company registered number
08512087 (England and Wales)

**BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Independent Auditors

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

NatWest
13 The Borough
Hinckley
Leicestershire
LE10 1LG

Lloyds Bank plc
PO Box 1000
BX1 1L

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

**BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and Auditors' Reports of the charitable company for the year ended 31 August 2018. 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 3 to 11 serving a catchment area in Hinckley, Leicestershire. It has a pupil capacity of 630 and had a roll of 615 in the school census in January 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Battling Brook Primary School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Battling Brook Primary School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1 and 2.

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £518 (2017 – £779).

Method of Recruitment and Appointment or Election of Trustees

The basic regulations concerning the appointment of Trustees are specified in the Articles.

There are a maximum of 12 Trustees which include:

- a minimum of 2 elected Parent Trustees selected from registered pupils at the Academy;
- a maximum of 1 Trustee appointed by K Turton, F Lucas, M Bingley and H Ablett as members;
- a maximum of 4 Community Trustees as people who are dedicated to the Academy, live and work in the community;
- a maximum of 2 Co-opted Trustees who have been approached by current Trustees of the Academy;
- 2 elected Staff Trustees; and
- the Headteacher as a Trustee ex-officio.

The term of office is four years.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board of Trustees undertook an audit to produce a profile of the skills and knowledge of existing Trustees. This will be used to inform discussions about the qualities being looked for in future appointments. Trustees are appointed as set out in the Articles of Association sections 50-59 inclusive.

Organisational Structure

Working closely with the Headteacher, the Board of Trustees is responsible for approving the School Aims Statement, establishing school strategy, maintaining the overall framework of policies and procedures within which the school operates, and monitoring school performance. Trustees help the school maintain a long-term focus whilst working on its shorter term goals and plans.

The day-to-day management of the school is very much the responsibility of the Headteacher and his Senior Leadership Team. The Deputy Headteacher works daily alongside the Headteacher managing and overseeing all aspects of pupil education and family relationships. Phase Leaders meet weekly with the Headteacher and Deputy Headteacher to ensure consistency across the school and to self-evaluate, in relation to teaching and learning, behaviour, welfare, safety and any other general aspects of school life. The Business Manager is responsible to oversee the school finances, short and long-term plans, Personnel, Premises and Health and Safety compliance. The Senior Leadership Team, which includes the Business Manager, meet regularly to discuss any key issues relating to the 'business'.

The Board of Trustees, regards the monitoring of the achievement of key performance targets by the school Senior Leadership Team as an extremely important aspect of its work. Trustees meet at least termly in the sub-committees below, to strategically review the aims and objectives of policies, set targets for achieving those aims and objectives, monitor and evaluate attainment and to challenge and give support to the Headteacher. Discussions also focus on the school finances and ensure that long term provisions are in place. In doing so Trustees ensure legislation is adhered to and risk is minimised.

Trustees contribute not just to the development of the school but also to the life of the local community. They are responsible for some very significant decisions. They seek to ensure that the school thrives as an education establishment whilst making an active contribution to the success of pupils.

Battling Brook Primary School has a Board of Trustees with the following sub-committees reporting to it:

Safeguarding, Behaviour and Welfare Committee

F Lucas (Chair)
L Mathie
H Ablett
A Radford
J Welford
S Marsden
S Barnes

Teaching, Learning and Assessment Committee

K Turton (Chair)
S Marsden
L Mathie
F Lucas
H Ablett
J Welford
J Cooling
D Tampin

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Performance and Pay Management Committee

M Bingley (Chair)
K Turton
J Welford
S Marsden

Finance and Audit Committee

M Bingley (Chair)
S Marsden (Headteacher and Accounting Officer)
J Cooling
K Turton

Phase

M Bingley/S Barnes	FS2
J Welford/D Tampin	1/2
F Lucas	3/4
H Ablett	5/6

F Lucas/A Radford	Pupil Premium
M Bingley	Sports Premium
F Lucas	Higher Attaining Pupils
F Lucas/A Radford	SEN/Looked After Children (LAC)
F Lucas	Safeguarding

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy has a Trustees Allowance Policy which states by which any remuneration is entitled and settled. In general, Trustees may claim an allowance when costs are incurred whilst carrying out their duties.

The Headteacher's and Deputy Headteacher's salaries are set by Trustees with reference to the school's Teacher's Pay Policy which is reviewed annually. Pay ranges are determined, points, allowances and values for 17/18 were set above the National School Teachers Pay and Conditions document. Pay Performance is undertaken by the Headteacher, Deputy, Trustees and an independent person to ensure effectiveness, fairness and consistency.

The Business Manager's salary values are set by Trustees against Leicestershire County Council job descriptions and in line with the Local Government Pay Scale. Performance Management is undertaken by the Headteacher measuring targets against the Battling Brook Primary School Priority Improvement Plan and school effectiveness.

Trade union facility time

During the year ended 31 August 2018, no employee or member of the Academy Trust was engaged as a Trade Union Representative, or took part in any paid Trade Union activity.

Related Parties and Other Connected Charities and Organisations

The Academy has an affiliation with the Thomas Estley Learning Alliance ensuring on-going support in regards to Assessment, Special Needs, English, Maths, NQT's and EYFS. Battling Brook Primary School's relevant policies may be adapted/adjusted, as a result of shared best practice within this group. Other connected groups and support mechanisms include:

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- Hinckley Learning Partnership
- Leicestershire Primary Heads
- Co-ordinating Governor training
- Working in cluster on Resilience Project
- Leicestershire LA – moderation
- RML Development days
- Angela Kirk – Assessment analysis
- Lynda Smith – Improvement advisor
- Business Manager
 - Supporting other schools
 - Ensuring value for money/sharing resources
- Forest Way Teaching School Alliance - SENCo Network Meetings
- Partnerships with Colleges and Universities

Battling Brook Primary School also enjoys a valued relationship with its Parents Teachers and Friends Association (PTFA). They are a hard working committee who organise fundraising, social and family events which we hope all parents will enjoy. This enables them to support the school through chosen projects.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The ethos of the school is summarised in the school aims:

We are all of equal worth.
I will do my best and my best for you.
If you need me, I will be there for you.
We take pride in each other's achievements
because we live, learn and succeed as one body.

The Academy also benefits from a hardworking and dedicated staff, committed to the ongoing drive to improve standards and attainment, supported by an active and involved Board of Trustees and PTFA.

Our objective and aim is to be fully inclusive and we actively seek to remove barriers to learning. We believe all children should be able to participate fully in school life regardless of any difficulties that they may experience. This means that equality of opportunity must be reality for our children, including those with Special Educational Needs and Disabilities (SEND).

Safeguarding is of paramount importance to us and the safeguarding/child protection policy is available on the website within the school policies section.

Objectives, Strategies and Activities

Battling Brook Primary School's objectives are outlined within the annual Battling Brook Priority Improvement Plan (BB PIP) that is created by the Senior Leadership Team (Headteacher, Deputy Headteacher and School Business Manager) with phase/year leader and Trustee support. This drives strategies and activities to assure positive outcomes across:

- Curriculum;
- Teaching standards;
- Premises; and
- Resources.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Our curriculum at Battling Brook Primary School ensures that learning is relevant and interesting for our children. Through a rich variety of opportunities, learning is brought to life ensuring not only the acquisition of key skills, but also aiming to nurture the love of learning itself.

Staff use the "Cornerstones" Curriculum Publications in order to inform their curriculum topics. Teachers adapt and alter the published resources in order to ensure that the sessions remain relevant for Battling Brook Primary School, therefore ensuring that the needs of our children are at the heart of the planning.

Each year is divided into 6 main units meeting statutory requirements, alongside content designed to engage and motivate each specific group of children.

In order to develop the fundamental skills of reading, we use the Ruth Miskin Literacy strategy as our synthetic systematic phonics programme. Therefore, ensuring that all of our children have the best start in their reading and writing journey.

An intervention specialist helps to accelerate and sustain children's progress, particularly in Y5 and Y6 writing and Y6 maths.

Full details of what children are currently learning within the curriculum are available from within the classes and year groups section of the website. Select the year group you wish to view, each term's curriculum is available to view via the curriculum bulletin attachment. Should you require any further information, please contact the school office.

At Battling Brook Primary School we offer a longer day than simply the teaching day. This enables Battling Brook Primary School to provide a richer and wider range of extended learning activities, workshops, clubs and performing arts projects such as:

Early Birds	Netball	Athletics
Hockey	Tag rugby	Tri golf
Wake Up, Shake Up!	Gardening	Dodgeball
Nurture	Football Boys & Girls	Basketball
JRSO	Multi Skills	Eco
Choir	Developing writing	Gymnastics
Homework club	Dance and Drama	

Key Objectives

- To successfully lead the development of Battling Brook Primary School;
- To ensure high levels of attendance, retention, attainment and achievement;
- To deliver the highest standards of teaching and learning;
- To ensure successful recruitment;
- To achieve high levels of progress for pupils;
- To deliver exemplary practice in meeting academic satisfaction;
- To ensure successful collaborative working with partners locally, regionally, national and internationally. This includes the Thomas Estley Teaching Alliance (TELA);
- To provide facilities for the local community in education, leisure and skills development; and
- To ensure financial viability by fulfilling our educational and wider aims to outstanding levels.

Strategies for achieving the Key Objectives – relating to Teaching and Learning, Resources and Premises are found in the BB PIP and SEF.

Attendance is monitored and improved in conjunction with an Education Welfare Officer (EWO).

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Attendance figures are:

Whole school	-2017 BB – 96.5%, 2016 nat. 96%
Pupil Premium	-2017 BB – 95.3%, 2016 nat. 94.1%
Persistent Absence (Threshold 10%)	-2017 BB – 4.68%, 2016 nat. 8.7%

The schools Education Welfare Officer meets with the Headteacher on a regular basis and with striking impact (see above); individual letters sent, home/school visits, liaising with other authorities where necessary etc.

Racial Incidents this academic year: 3

Homophobic Incidents this academic year: 0

All incidents dealt with swiftly and effectively through pastoral detention, discussion with, and support from parents and follow-up from Pastoral Care Team.

Permanent Exclusions: 0

For recruitment, robust procedures are in place and applied to ensure the successful recruitment of all new staff.

Public Benefit

The Trustees confirm that they have complied with their duties under part 4 of the charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they are aware and have followed its guidance in this area. The Trustees Report gives a description of the activities undertaken by Battling Brook Primary School during the period in furtherance of its charitable purposes, and the Trustees are satisfied that such activities provide public benefit.

STRATEGIC REPORT

Achievements and Performance

2018 KS2 Achievement					
	KS2	Compared to 2017	KS2 (nat.)	'Coasting School' indicator	'Floor Standard' indicator
Percentage of pupils achieving the expected standard in reading, writing and maths	59	↑6%	64		
Average progress in reading between KS1 and KS2	-0.1	↑0.7	0	-2.5	-5.0
Average progress in writing between KS1 and KS2	-0.4	↓0.3	0	-3.5	-7.0
Average progress in maths between KS1 and KS2	-0.9	↑0.3	0	-2.5	-5.0
Percentage of pupils achieving the higher standard in reading, writing and maths	1	↓2	10		
Average score in the reading test	104	↑2	105		
Average score in the maths test	102	↑	104		

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

	2018 Expected Standard	Compared to 2017	KS2 (nat.)	2018 Greater Depth	Compared to 2017	KS2 (nat.)
Reading	73	↑9%	75	24	↑8	28
Writing	79	↓1%	78	5	=	20
Maths	66	↑4%	76	16	↑3	24
Grammar, Punctuation and Spelling	77	↓2%	78	33	↑6	34

KEY FINANCIAL PERFORMANCE INDICATORS

Ofsted rated the school as 'continues to be good' on 3 October 2018. Findings were that the leadership team has maintained the good quality of education in the school since the last inspection. It was recognised that many pupils at school require additional support, enter school at a low/very low starting point and the percentage of pupils on the SEND register is above national average. Investments continue to be made in the structure of the classroom support with adult ratios increasing staffing levels at FS2, KS1 and KS2. This has enabled a greater impact upon teaching and learning and has seen greater progress in pupil attainment to date. KS2 has made progress, but there is still more to do. All KS2 classes have now seen a significant spend improving lighting and teaching areas for moderated pupil groups.

PUPIL ATTENDANCE is recognised above as a Key Objective. Investment and management of staffing towards in-house monitoring has resulted in an improved, more efficient reporting system. In addition, funding remains targeted for the purchase of an Education Welfare Officer to work alongside our attendance team. This ensures that the school's pupil attendance monitoring is consistent, and levels continue to remain high and above the National attendance percentage.

PUPIL PERFORMANCE IS MONITORED through various means (including the use of a data management system) on a regular basis and is used across the school to identify pupil outcomes and inform subsequent planning. SEN and Pupil Premium funded pupils are captured as groups and monitored. Identified funding supports additional staffing and resources. This, in turn, supports a strong focus on teaching and learning, behaviour and welfare. Improved outcomes have been seen across the school at all stages.

FINANCIAL PLANNING is undertaken both short and long term focused on the current year and five year forecasting. Monthly budget reviews enable the school to maintain spending levels. This has enabled the school to remain within its planned spending profile and support planned long term investment. During 2017/18 the greatest financial emphasis was placed upon increasing and improving learning environments. Long term planning enabled the school to demolish the old Caretaker's Property and erect a new modular building. This £300,000 purchase now provides a modern, energy efficient space with toilets and kitchen facilities for use of the whole school. As part of the planned asbestos removal programme £6,500 was spent on clearing the old plant room of asbestos.

Going Concern

Trustees are confident that with an in balance five-year budget plan and contingencies in place for potential risks they believe that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. This is subject to the risk factors of pupil place applications, funding and staffing levels remaining consistent for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements and budget planning. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

FINANCIAL REVIEW

Battling Brook Primary School is now in its fifth year since becoming an Academy in 1 June 2013. During 2017/18 funds were raised to improve the outdoor gardens. A significant donation from the PTFA secured the purchase of a new piano.

The majority of its funding comes from the Education and Skills Funding Agency (ESFA) and one of our objectives going forward is to continue sourcing funding for other projects independently of the main pupil driven budget. This will ensure continued development to the premises and ensure the continuing viability of Battling Brook Primary School.

Battling Brook Primary School applies its policies, procedures and best practice when considering funding relating to salaries, procurement, investment, expenses, income, long term planning and financial risk. Those principles include: the Nolan Committee 7 principles of public life, Best Value, Pay Policy annual reviews, Performance Management assessments, quotations of services and goods, increasing levels of authorisation dependent upon value, and regulated monitoring of the budget. The Financial Policy can be seen on the school's website.

The school matches the National School Teachers Pay and Conditions. During 2017/18 the Academy implemented a 2 year pay scheme. In 2017/18 all teachers' pay was increased by 2%. In the following year 2018/19 all teachers' pay will come back in line with the National Pay Scales.

The pension scheme for support staff is run through the Local Government Pension Scheme and monitored by Hymans Robertson who undertakes a routine 3 year valuation in conjunction with LCC. Currently actuaries estimate that the school has a deficit in the scheme of £852,000. The pension is based on contributions and assets. Contributions rose from April 2018 by approximately 3%. To reduce risk, in addition, the school purchases Ill Health Insurance for all LGPS members to protect against the risk of significant pension liabilities.

All teachers who wish to contribute to a pension scheme are enrolled with the National Teacher's Pension Scheme.

All pension contributions are externally audited annually to ensure pension liabilities are covered.

Reserves Policy

The Trustees have reviewed the reserves of the Academy; this review encompassed the nature of the income and expenditure streams, the need to match them with commitments and the nature of reserves. The Trustees will keep the level of reserves under review. Currently the school holds £454,000 in reserves.

The agreed medium term target for Battling Brook Primary School is to maintain a level of reserves to a level which equates to approximately 3 months expenditure, as a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies.

The Trust will review the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018. In the statement that follow this would be a net surplus of £454,000.

At 31 August 2018 the total funds comprised:

Unrestricted		£170,000
Restricted:	Fixed asset funds	£3,203,000
	Pension reserve	£(852,000)
	Other	£284,000
		<u>£2,805,000</u>

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Investment Policy

During the financial year Battling Brook Primary School accumulated a cash balance of £346,000, which is invested within respected institutions approved in line with Battling Brook Primary School's Investment Policy.

The objective of the Academy is to ensure that sufficient funds are available at short or no notice to meet foreseeable requirements, while earning an acceptable rate of return without undue risk.

The Trustees will review any capital investment taking into account social, environmental or ethical considerations that may impact upon the local community and global concerns such as land use, ecological impacts, impacts to water, air and soil.

For all purchases estimated above £10k three tenders are required. Purchases above £50k are required to go to formal tender unless the Trustees deem not to do so.

The Trustees review the level of cash balances termly to provide for the day-to-day working capital requirements of the Academy's operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Investments are considered regarding surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Trustees ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements. Trustees as a finance sub-committee will determine the amount of surplus cash to invest in any one transaction and recommend to the full Board of Trustees to ratify.

The objectives of investing cash surpluses are:

- To ensure there is no risk of loss in the capital value of any cash funds invested;
- To protect the capital value of any invested funds against inflation; and
- To optimise returns on invested funds.

Principal Risks and Uncertainties

Trustees have identified and annually review principal risks and uncertainties for the Academy recorded as a Risk Register. These are reviewed by Trustees regularly ensuring that control measures are adequate for current legislation and minimising any impact to the Academy due to change in current legislation.

Risks and uncertainties are measured into 3 levels of risk based on likelihood and impact to the Academy. The main risks are:

- the Academy receives an unfavourable Ofsted report;
- change of funding policy and introduction of new education priorities by Government;
- the image of the Academy as a result of an unfavourable Ofsted;
- a major capital disaster i.e. fire;
- security threats to IT systems and corruption of data;
- Trustees have a high public profile and may cause the Academy to attract publicity;
- legislative requirements are not complied with; and
- key person lost for long term.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Control measures in place are:

Transfer:	For some risks the best response may be to transfer them e.g. purchase of insurance
Tolerate:	The exposure may be tolerable without any further action being taken e.g. risk of funding approach changes. This option is supplemented by a five year contingency plan.
Treat:	The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level e.g. purchase of a payroll provider to ensure pension contributions are correct.
Terminate:	Some risks will only be treatable, or containable to acceptable levels, by terminating the activity.
Take the Opportunity:	This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats, an opportunity arises to exploit a positive impact. The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities – for example a drop in cost e.g. purchase of capital property.

The Senior Leadership Team meet with Trustees routinely to report and discuss changes in circumstances, developments and completed projects during the year that impact upon risk. Actions that arise will be reported back at a follow up meeting.

Fundraising

Battling Brook Primary School is supported by a registered charity of parents, teachers, friends and associates known as the PTFA. This group meet several times a year at the school in order to raise funds. The raised monies after PTFA approval, are donated to the school for the purchase of specific equipment and resources. These resources are non-curriculum and enhance/extend our current provision.

Battling Brook Primary School has no agreements with any commercial/professional fundraising organisations. During the year the school participates in national events such as Comic and Sport Relief. Parents are notified of the upcoming event and pupils are invited to participate on a voluntary basis. This may be the donation of an item or the collection of monies. No individuals are pressured in order to participate. All donations/monies are immediately packed and posted or banked to minimise the risk of theft by staff using official documentation. No member of staff will directly benefit from any fundraising activity.

Any fundraising complaints are dealt with by the Headteacher as any complaint via the official school process. Details can be found on the school website.

PLANS FOR FUTURE PERIODS

- Successful Ofsted Inspection;
- Maintain the well-established 'family ethos';
- Continued improvement on pupil attainment outcomes; and
- Continue the management project of building improvements.

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**TRUSTEES' REPORT (continued)
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Trustees wish for the Academy to continue to explore new initiatives and avenues for consistent pupil progress in teaching, learning and the premises. Pupil places have been capped to ensure the quality of provision for those pupils on roll at the Academy, due to high numbers of place applications. Intense small pupil groups continue to allow focused learning. These groups have raised attainment and, as such, this strategy influences future building plans for the foreseeable future, where funds allow. The Academy will continue to collaborate with neighbouring schools and share resources for the best practice of the community. However, the key objective is to continue to improve pupil outcomes.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds on behalf of another organisation or charity.

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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 auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2018 and signed on the Board's behalf by:

.....
F Lucas
Chair of Trustees

**BATTLING BROOK PRIMARY SCHOOL
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Battling Brook Primary 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 Battling Brook Primary 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.

The Board elect members of sub-committees each year as detailed in the structure above. Throughout the year visits are conducted by Trustees, recorded and shared with the Board of reviews with key staff members. This sharing of information assesses standards within school and allows other Trustees to question and understand attainment and progress. Trustees are confident (through the various committees) that they are effectively challenging respective leaders within the school, holding the school to account for outcomes and, as part of the Governor Strategy Day, reflecting on their own effectiveness to ensure both robust and rigorous governance for the year ahead and beyond.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the 2017/18 year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Ablett	3	6
M Bingley	4	6
J Cooling	4	6
F Lucas	5	6
L Mathie	6	6
S Marsden (Headteacher and Accounting Officer)	6	6
K Turton	6	6
S Barnes (Appointed on 29 September 2017)	3	6
D Tampin (Appointed on 29 September 2017)	4	6
N Wileman (Appointed on 29 September 2017)	5	6
A Radford	4	6
P Woolaston (Appointed on 13 July 2018)	0	0
J Welford	5	6

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Governance reviews:

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- To receive reports from the School Business Manager/Headteacher on finance, staffing structure and conditions of service;
- To advise the Chair on staffing matters generally and ensure that the organisation's Disciplinary & Grievance Procedure is followed;
- To make recommendations to the Full Board of Trustees on all finance and personnel matters. The Full Board of Trustees is responsible for the final decision;
- To ensure that accounts are audited both internally and externally annually and receive reports from external auditors and LA audit team;
- To ensure that investments are agreed and in line with the Investment Policy;
- To ensure that all relevant policies are reviewed in a timely manner; and
- To ensure that the Academy complies with all statutory requirements of the Academy Finance Handbook.

Trustees' expectations are high to provide excellent care and education with increasing pressure upon funding. Their strong commitment to value for money, and continued improvement of resources has been at the forefront for the Trustees during 2017/18. In order to ensure success and avoid negative consequences in the future, funds were monitored rigorously to ensure adequate funding was reached. The planned demolition/building project for February-August 2018 was successfully achieved.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Marsden (Headteacher and Accounting Officer)	3	3
K Turton	2	3
M Bingley (Chair)	3	3
J Cooling	3	3

Governance Self Evaluation

The Trustees undertake a self-evaluation at each sub-committee through discussion and feedback following school visits. The Full Board of Trustees Strategy Day is a day of reflection and forward planning, aspects discussed include:

- Ensure that school leaders have raised awareness of safeguarding in its various forms;
- Financial stability/solvency;
- Understanding and analysing "relating to attainment and progress presented to committees, including national picture;
- Phase visits;
- Holding school leaders to account on aspects such as Pupil Premium, Sports Premium, SEN provision, curriculum matters including refinement and development;
- Trustee training to develop knowledge - accessing the Governor Development Service;
- External moderation;
- Intervention classes;
- Impact of Pupil Premium meetings; and
- Pastoral support.

Following the most recent Ofsted Inspection (October 2018), the report summary will be used to inform part of the Trustees future medium term planning.

**BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust'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 Trust has delivered improved value for money during the year by:

- In-house project procurement of:
 - Supply, delivery and installation;
 - Groundworks and demolition;
 - IT services and screens;
 - Fire alarm systems;
 - Services connection including water and electricity;
 - Intruder alarm system;
 - Access controls; and
 - Telephone.
- Continued the highly successful RML teaching programme supporting English. The merits of fidelity and passion towards the improved standards contributed once again to the school achieving the accreditation award in this area;
- Best value has continued with evidence of the school's high attendance levels of 96.5% and very low rates of persistent absenteeism; cost savings have been made by the reduced reliance upon external contractors for Attendance monitoring and building projects; and
- The effective monitoring of funds during 2017/18 to ensure available funds during 2018/19 to maintain staffing provisions.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Battling Brook Primary School for the year ended 31 August 2018 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 Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Audit Team as internal auditor.

The internal auditor's role includes a full review of the Academy's financial systems and procedures and a review of the internal controls in place surrounding both financial and governance issues. They give advice on financial matters and perform a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- | | |
|--|--|
| • Governance and Statutory responsibility | • Efficiency |
| • Budgetary planning, monitoring and reporting | • Risk |
| • Procurement | • Data Protection |
| • Payment cards | • School Meals |
| • Income – general | • Payroll and Personnel systems |
| • Lettings | • Testing of control account/ bank reconciliations |
| • Trips | • Companies House registration |

On a termly basis, the Chair of the Finance and Audit Committee reports to the Board of Trustees, through the Full Board of Trustees meetings on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

On an annual basis the Internal Audit Service report to the Chair of Trustees detailing the areas inspected and any issues arising from the review. As a result any actions required are summarised in an action plan, responses are detailed from the Business Manager to rectify any issues and this completed document is presented at the following Board of Trustees meeting. The agenda item is presented, the Board of Trustees assess and ratify the changes within a reasonable timescale. Once changes are signed off by the Business Manager, the completed action plan will be represented to the Finance and Audit Committee who in turn present to the Board of Trustees.

The internal audit was undertaken March 2018 by Leicestershire County Council Audit Team. No major risks were found. Three minor risks were identified. No impact upon the Academy was noted.

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 Audit Service;
- the work of the external auditor; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Internal Audit Service to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2018 and signed on its behalf by:

.....
F Lucas
Chair of Trustees

.....
S Marsden
Accounting Officer

**BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of Battling Brook Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

.....
S Marsden
Accounting Officer

18 December 2018

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as Governors of Battling Brook Primary School and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 order of the members of the Board of Trustees on 18 December 2018 and signed on its behalf by:

.....
F Lucas
Chair of Trustees

.....
S Marsden
Accounting Officer

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BATTLING BROOK PRIMARY SCHOOL**

OPINION

We have audited the financial statements of Battling Brook Primary School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BATTLING BROOK PRIMARY SCHOOL**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the 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 has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BATTLING BROOK PRIMARY SCHOOL**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, 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 Trust'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 Trust's members, as a body for our audit work, for this report, or for the opinions we have formed.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date:

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BATTLING BROOK PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Battling Brook Primary School during the year ended 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF BATTLING BROOK PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Battling Brook Primary School's funding agreement with the Secretary of State for Education dated 19 December 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BATTLING BROOK PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

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

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date:

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	2	-	1	-	1	1
Funding for the Academy Trust's educational operations	3	-	2,603	11	2,614	2,609
Other trading activities	4	66	-	-	66	54
TOTAL INCOME AND ENDOWMENTS		66	2,604	11	2,681	2,664
EXPENDITURE ON:						
Raising funds	5	41	117	-	158	165
Academy Trust educational operations	6	-	2,584	79	2,663	2,463
TOTAL EXPENDITURE	7	41	2,701	79	2,821	2,628
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	25 (284)	(97) (12)	(68) 296	(140) -	36 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(259)	(109)	228	(140)	36
Actuarial losses on defined benefit pension schemes	20	-	304	-	304	(43)
NET MOVEMENT IN FUNDS		(259)	195	228	164	(7)
RECONCILIATION OF FUNDS:						
Total funds brought forward		429	(763)	2,975	2,641	2,648
TOTAL FUNDS CARRIED FORWARD		170	(568)	3,203	2,805	2,641

The notes on pages 29 to 52 form part of these financial statements.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08512087

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	13		3,203		2,953
CURRENT ASSETS					
Debtors	14	43		56	
Cash at bank and in hand		684		809	
		<u>727</u>		<u>865</u>	
CREDITORS: amounts falling due within one year	15	(273)		(180)	
NET CURRENT ASSETS			454		685
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		(852)		(997)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,805		2,641
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	284		234	
Restricted fixed asset funds	16	3,203		2,975	
Restricted income funds excluding pension liability		3,487		3,209	
Pension reserve	16	(852)		(997)	
Total restricted income funds			2,635		2,212
Unrestricted income funds	16		170		429
TOTAL FUNDS			2,805		2,641

The financial statements on pages 26 to 52 were approved by the Trustees, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:

.....
F Lucas
Chair of Trustees

.....
S Marsden
Accounting Officer

The notes on pages 29 to 52 form part of these financial statements.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>204</u>	<u>254</u>
Cash flows from investing activities:			
Capital expenditure		<u>(329)</u>	<u>(22)</u>
Net cash used in investing activities		<u>(329)</u>	<u>(22)</u>
Change in cash and cash equivalents in the year		(125)	232
Cash and cash equivalents brought forward		<u>809</u>	<u>577</u>
Cash and cash equivalents carried forward	19	<u><u>684</u></u>	<u><u>809</u></u>

The notes on pages 29 to 52 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Battling Brook Primary School is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on pages 1 and 2. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

Battling Brook Primary School constitutes a public benefit entity as defined by FRS 102.

The company's functional and presentational currency is British Pounds Sterling (£), rounded to the nearest £1,000.

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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where receipt is probable and it is measurable reliably.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 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.

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

All expenditure is inclusive of irrecoverable VAT.

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 Bank.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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 a transfer is made to reflect these assets in the restricted fixed asset fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line per annum
Long-term leasehold land	-	over the term of the lease
Fixtures and fittings	-	10% straight line per annum
Computer equipment	-	33.33% straight line per annum

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 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.

1.10 Liabilities and provisions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 basis 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.

Cash at bank - 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 costs as detailed in note 15. 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 instruments.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is an unfunded multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed 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. See note 13 for the carrying amount of the tangible fixed assets, and note 1.7 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those covering the choice of depreciation policies and asset lives.

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.

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

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

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

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	-	1	-	1	1
Total 2017	1	-	-	1	

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,095	2,095	2,090
Pupil Premium	-	135	135	146
Devolved Formula Capital	-	11	11	11
Other ESFA/DfE grants	-	115	115	109
	-	2,356	2,356	2,356
Other government grants				
Local Authority grants	-	84	84	65
Nursery grants	-	129	129	134
	-	213	213	199
Other funding				
Parental contributions	-	43	43	43
Other income	-	2	2	11
	-	45	45	54
	-	2,614	2,614	2,609
Total 2017	-	2,609	2,609	

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Nursery income	10	-	10	2
Breakfast club income	13	-	13	13
Lettings and facilities income	15	-	15	15
Catering income	26	-	26	22
Teacher placement income	2	-	2	2
	<u>66</u>	<u>-</u>	<u>66</u>	<u>54</u>
Total 2017	<u>54</u>	<u>-</u>	<u>54</u>	

5. RAISING FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Nursery expenses	9	-	9	20
Breakfast club expenses	3	-	3	3
Catering expenditure	26	-	26	22
Other expenditure	3	-	3	4
Nursery and Breakfast club staff costs	-	117	117	116
	<u>41</u>	<u>117</u>	<u>158</u>	<u>165</u>
Total 2017	<u>165</u>	<u>-</u>	<u>165</u>	

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. CHARITABLE ACTIVITIES

	Total funds 2018 £000	Total funds 2017 £000
DIRECT COSTS		
Wages and salaries	1,362	1,306
National insurance	108	100
Pension costs	373	275
Depreciation	79	80
Educational supplies	33	34
Staff development	15	14
Other direct costs	55	66
Insurance	10	5
	2,035	1,880
SUPPORT COSTS		
Wages and salaries	220	209
National insurance	12	12
Pension costs	46	42
Pension finance cost (note 12)	26	19
Recruitment and support	8	14
Maintenance of premises and equipment	74	77
Cleaning	6	7
Rent and rates	9	14
Energy costs	27	14
Insurance	15	18
Security and transport	-	2
Catering	98	97
Legal and professional	25	32
Other support costs	39	15
Bank charges and interest	-	1
Nursery costs	12	-
Governance costs	11	10
	628	583
	2,663	2,463

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. TOTAL EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Expenditure on raising voluntary income	117	-	41	158	165
Educational Operations:					
Direct costs	1,843	65	127	2,035	1,880
Support costs	304	106	218	628	583
	<u>2,264</u>	<u>171</u>	<u>386</u>	<u>2,821</u>	<u>2,628</u>
Total 2017	<u>2,079</u>	<u>112</u>	<u>437</u>	<u>2,628</u>	

In 2017, of the total expenditure on charitable activities of £2,628,000, £165,000 was from unrestricted funds, £2,383,000 was from restricted funds and £80,000 from restricted fixed asset funds.

8. NET INCOMING RESOURCES

This is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	79	80
Internal audit costs	1	3
Auditors remuneration - audit services	11	10
Operating lease payments	3	-
	<u>94</u>	<u>93</u>

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	1,658	1,587
Social security costs	126	117
Pension costs	438	334
	<hr/>	<hr/>
	2,222	2,038
Agency staff costs	16	22
Pension finance cost (note 12)	26	19
	<hr/>	<hr/>
	2,264	2,079
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2018	2017
	No.	No.
Teaching	34	37
Admin and support	83	75
Management	4	4
	<hr/>	<hr/>
	121	116
	<hr/> <hr/>	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teaching	27	24
Admin and support	30	33
Management	4	4
	<hr/>	<hr/>
	61	61
	<hr/> <hr/>	<hr/> <hr/>

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the period the pension contributions for these members of staff amounted to £22,156 (2017 - £21,674).

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by Key Management Personnel for their services to the Academy Trust was £247,018 (2017 - £241,682).

10. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£000	£000
S Marsden	Remuneration	70-75	70-75
	Pension contributions paid	10-15	10-15
L Mathie	Remuneration	60-65	60-65
	Pension contributions paid	10-15	10-15
A Radford	Remuneration	15-20	15-20
	Pension contributions paid	0-5	0-5

During the year, expenses were reimbursed to a Trustee amounting to £201 (2017 - £174, 2 Trustees).

Other related party transactions including the Trustees are set out in note 22.

11. 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 2018 was £518 (2017 - £779).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. PENSION FINANCE COST

	2018	2017
	£000	£000
Interest income on pension scheme assets	34	24
Interest on pension scheme liabilities	(60)	(43)
	<u>(26)</u>	<u>(19)</u>

13. TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2017	3,009	162	64	3,235
Additions	317	6	6	329
At 31 August 2018	<u>3,326</u>	<u>168</u>	<u>70</u>	<u>3,564</u>
Depreciation				
At 1 September 2017	190	52	40	282
Charge for the year	49	16	14	79
At 31 August 2018	<u>239</u>	<u>68</u>	<u>54</u>	<u>361</u>
Net book value				
At 31 August 2018	<u><u>3,087</u></u>	<u><u>100</u></u>	<u><u>16</u></u>	<u><u>3,203</u></u>
At 31 August 2017	<u><u>2,819</u></u>	<u><u>110</u></u>	<u><u>24</u></u>	<u><u>2,953</u></u>

Included in long leasehold property is long leasehold land valued at £1,038,500 (2017 - £1,038,500) on conversion in 2013 by Leicestershire County Council, a RICS registered valuer, using the depreciated replacement cost method.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year leasehold over the land and buildings.

14. DEBTORS

	2018	2017
	£000	£000
VAT recoverable	6	5
Prepayments and accrued income	37	51
	<u>43</u>	<u>56</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Taxation and social security	31	29
Other creditors	37	32
Accruals and deferred income	205	119
	<hr/> 273 <hr/>	<hr/> 180 <hr/>
	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	106	62
Resources deferred during the period	128	106
Amounts released from previous years	(106)	(62)
	<hr/> 128 <hr/>	<hr/> 106 <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips, Universal Infant Free School Meals and nursery income in relation to funding for the next academic year.

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	429	66	(41)	(284)	-	170
Restricted funds						
General Annual Grant (GAG)	229	2,095	(2,031)	(12)	-	281
Pupil premium	5	135	(137)	-	-	3
Other ESFA/DfE grants	-	115	(115)	-	-	-
Local Authority grants	-	213	(213)	-	-	-
Other income	-	46	(46)	-	-	-
Pension reserve	(997)	-	(159)	-	304	(852)
	(763)	2,604	(2,701)	(12)	304	(568)
Restricted fixed asset funds						
Restricted fixed asset fund	2,953	-	(79)	329	-	3,203
Devolved Formula Capital	22	11	-	(33)	-	-
	2,975	11	(79)	296	-	3,203
Total restricted funds	2,212	2,615	(2,780)	284	304	2,635
Total of funds	2,641	2,681	(2,821)	-	304	2,805

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Transfers of £12,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards computer equipment and fixtures and fittings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

Pupil premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations.

Local Authority grants

These are funds and grants received from the local authority for use on specific educational projects.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately. Plans are in place to address this deficit.

Restricted fixed asset funds

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the Local Authority following the transfer of assets. It includes further amounts invested in fixed assets.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
Unrestricted funds	405	55	(31)	-	-	429
Restricted funds						
General Annual Grant (GAG)	101	2,090	(1,940)	(22)	-	229
Pupil premium	4	146	(145)	-	-	5
Capital grants	11	-	-	(11)	-	-
Other ESFA/DfE grants	-	109	(109)	-	-	-
Local Authority grants	-	199	(199)	-	-	-
Other income	-	54	(54)	-	-	-
Pension reserve	(884)	-	(70)	-	(43)	(997)
	(768)	2,598	(2,517)	(33)	(43)	(763)
Restricted fixed asset funds						
Restricted fixed asset fund	3,011	-	(80)	22	-	2,953
Devolved Formula Capital	-	11	-	11	-	22
	3,011	11	(80)	33	-	2,975
Total restricted funds	2,243	2,609	(2,597)	-	(43)	2,212
Total of funds	2,648	2,664	(2,628)	-	(43)	2,641

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	405	121	(72)	(284)	-	170
Restricted funds						
General Annual Grant (GAG)	101	4,185	(3,971)	(34)	-	281
Pupil premium	4	281	(282)	-	-	3
Capital grants	11	-	-	(11)	-	-
Other ESFA/DfE grants	-	224	(224)	-	-	-
Local Authority grants	-	412	(412)	-	-	-
Other income	-	100	(100)	-	-	-
Pension reserve	(884)	-	(229)	-	261	(852)
	(768)	5,202	(5,218)	(45)	261	(568)
Restricted fixed asset funds						
Restricted fixed asset fund	3,011	-	(159)	351	-	3,203
Devolved Formula Capital	-	22	-	(22)	-	-
	3,011	22	(159)	329	-	3,203
Total restricted funds	2,243	5,224	(5,377)	284	261	2,635
Total of funds	2,648	5,345	(5,449)	-	261	2,805

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	3,203	3,203
Current assets	170	557	-	727
Creditors due within one year	-	(273)	-	(273)
Pension scheme liability	-	(852)	-	(852)
	<u>170</u>	<u>(568)</u>	<u>3,203</u>	<u>2,805</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	2,953	2,953
Current assets	429	414	22	865
Creditors due within one year	-	(180)	-	(180)
Provisions for liabilities and charges	-	(997)	-	(997)
	<u>429</u>	<u>(763)</u>	<u>2,975</u>	<u>2,641</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(140)	36
Adjustment for:		
Depreciation charges	79	80
Decrease in debtors	13	21
Increase in creditors	93	47
Defined benefit pension scheme cost less contributions payable	133	51
Defined benefit pension scheme finance cost (note 12)	26	19
Net cash provided by operating activities	<u>204</u>	<u>254</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	684	809
Total	684	809

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £37,000 were payable to the schemes at 31 August 2018 (2017 - £32,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS (continued)

- 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 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £150,000 (2017 - £150,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £187,000 (2017 - £171,000), of which employer's contributions totalled £150,000 (2017 - £137,000) and employees' contributions totalled £37,000 (2017 - £34,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment/inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	(69)	(65)
Discount rate -0.1%	69	65
Mortality assumption - 1 year increase	94	90
Mortality assumption - 1 year decrease	(94)	(90)
CPI rate +0.1%	54	49
CPI rate -0.1%	(54)	(49)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	931	847
Bonds	406	253
Property	135	101
Cash	30	63
Total market value of assets	<u><u>1,502</u></u>	<u><u>1,264</u></u>

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(283)	(185)
Past service cost	-	(3)
Interest income	34	24
Interest cost	(60)	(43)
Total	<u><u>(309)</u></u>	<u><u>(207)</u></u>
Actual return on scheme assets	<u><u>63</u></u>	<u><u>44</u></u>

The Academy expects to contribute £162,000 to its Defined Benefit Pension Scheme in 2019.

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS (continued)

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

	2018	2017
	£000	£000
Opening defined benefit obligation	2,261	1,949
Current service cost	283	185
Interest cost	60	43
Employee contributions	37	34
Actuarial (gains)/losses	(275)	63
Benefits paid	(12)	(16)
Past service cost	-	3
	<hr/>	<hr/>
Closing defined benefit obligation	2,354	2,261
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	1,264	1,065
Interest income	34	24
Actuarial gains	29	20
Employer contributions	150	137
Employee contributions	37	34
Benefits paid	(12)	(16)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,502	1,264
	<hr/> <hr/>	<hr/> <hr/>

21. OPERATING LEASE COMMITMENTS

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

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	3	3
Between 1 and 5 years	2	4
	<hr/>	<hr/>
Total	5	7
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. 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 the Trustees have 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.

No related party transactions took place in the year of account other than certain Trustees remuneration and expenses as disclosed in note 10.

23. CONTROLLING PARTY

The Academy is ultimately controlled by the Board of Trustees, which includes the Headteacher.

24. 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.

25. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.