

Registered number: 08512087 (England and Wales)

**BATTLING BROOK PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 2019**

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**Members**

K Turton (Resigned 13 September 2019)  
F Lucas  
H Ablett (Resigned 31 December 2018)  
D Tampin

**Trustees**

S Marsden (Headteacher and Accounting Officer)  
F Lucas (Chair of Trustees)  
K Turton (Resigned 13 September 2019)  
J Cooling  
J Welford  
S Barnes (Resigned 12 July 2019)  
N Wileman  
D Tampin  
L Parry (Appointed 11 March 2019)  
A Radford (Staff Trustee)  
L Mathie (Staff Trustee)  
H Ablett (Resigned 31 December 2018)  
P Woolaston

**Company Secretary**

J Burgess

**Senior Management Team**

S Marsden (Headteacher and Accounting Officer)  
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)

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**BATTLING BROOK PRIMARY SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 3 to 11 serving a catchment area in Hinckley, Leicestershire. It has a pupil capacity of 630 and had a roll of 604 in the school census January 2019.

## **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 operates as Battling Brook Primary School.

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

### **Members' Liability**

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

### **Trustees' Indemnities**

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 £523 (2018 - £518).

### **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 the 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 Principal as a Trustee ex-officio.

The term of office is four years.

### **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.

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 Management Team. The Headteacher also acts as the Accounting Officer for the Trust. 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 & learning, behaviour, welfare, safety and any other general aspects of school life. The Business Manager is responsible for overseeing the school finances, short and long term plans, Personnel, Premises and Health & Safety compliance. The Senior Management 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 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 and risk is minimised.

Trustees make a contribution 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 has a Board of Trustees with the following sub-committees reporting to it.

**Safeguarding, Behaviour & Welfare Committee**

F Lucas (Chair of Trustees)  
L Mathie  
H Ablett (Resigned 31 December 2018)  
J Welford  
S Marsden (Headteacher and Accounting Officer)  
D Tampin  
S Barnes (Resigned 12 July 2019)  
L Parry

**Teaching, Learning & Assessment Committee**

D Tampin (Chair of Committee)  
S Marsden (Headteacher and Accounting Officer)  
L Mathie  
F Lucas  
H Ablett (Resigned 31 December 2018)  
J Welford  
J Cooling  
S Barnes (Resigned 12 July 2019)

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

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**Performance & Pay Management Committee**

F Lucas (Chair of Committee)  
S Marsden (Headteacher and Accounting Officer)  
J Welford  
J Cooling  
N Wileman

**Headteacher's Performance Management Committee**

F Lucas  
K Turton (Resigned 13 September 2019)  
J Welford  
External Advisor

**Finance & Audit Committee**

N Wileman (Chair of Committee)  
S Marsden (Headteacher and Accounting Officer)  
P Woolaston  
D Tampin  
K Turton (Resigned 13 September 2019)

**Phase**

S Barnes (Resigned 12 July 2019)	FS2
F Lucas	1/2
P Woolaston	3/4
D Tampin	5/6

F Lucas/S Barnes	Pupil Premium
P Woolaston	Sports Premium
D Tampin	Higher Attaining Pupils
F Lucas/S Barnes	SEN/Looked After Children (LAC)
F Lucas	Safeguarding
N Wileman	Risk Assessment

**Arrangements for setting pay and remuneration of Key Management Personnel**

The Academy has a Trustee's 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 arrangements for setting pay are determined by the Trusts' governing body Pay and Performance Committee.

For all teaching staff who have a financial responsibility and as such are Key Management Personnel the Trust applies the terms and conditions as set out by the National STPCD, in conjunction with the Trust's Teachers Pay Policy. This includes pay ranges, points, allowances and values set as of September 2018.

All key management teaching personnel salaries and remunerations are determined by a series of appraisals against the National Teaching Standards, benchmarking and experience. The pay values fall within the parameters as set out within in the Teachers Pay Policy. To ensure effectiveness, fairness and consistency an independent assessor supports the appraisal process conducted by the Pay and Performance Committee regarding the Headteacher. Appraisals and their outcomes for all other teaching staff are conducted by the Headteacher and Deputy Headteacher. All pay grades are reported to the Trusts' Pay and Performance Committee who consider the costs within the overall school budget.

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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Key management support staff salary values are set by Trustees and mirror that of the Local Authority's pay scale for NJC staff (Support Staff). Pay levels are determined by the Headteacher considering targets, benchmarking, experience and effectiveness. All pay grades are reported to the Trusts' Pay and Performance Committee who consider the costs within the overall school budget.

**Trade Union Facility Time**

There were no employees who were relevant union officials during the period, no time was spent on facility time by employees, no pay bill was spent on facility time and no time was spent on paid trade union facilities.

**Related Parties and other Connected Charities and Organisations**

The Academy has an affiliation with the Thomas Estley Learning Alliance ensuring on-going support in regard 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:

- Local Hinckley Heads Group;
- Leicestershire Primary Heads;
- Co-ordinating Trustee training;
- Leicestershire LA – moderation;
- RML Development days;
- Angela Kirk – Assessment analysis;
- Lynda Smith – improvement advisor;
- Business Manager;
  - Supporting other schools; and
  - Ensuring value for money/sharing resources.
- Forest Way Teaching School Alliance - SENCo Network Meetings; and
- 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**

The Academy Trust purpose is to educate the next generation of pupils between the ages of 3 – 11 across its Nursery and Primary provision. The Trust will introduce broad learning experiences to develop a love of education and culture of today whilst ensuring their wellbeing.

**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.



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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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Our objective and aim are 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. 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 SLT (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.

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	Rounders	Athletics	Maths
Hockey	Tag rugby	Tri golf	
Wake Up, Shake Up!	Gardening	Dodge ball	
Nurture	Football Boys & Girls	Basketball	
JRSO	Multi Skills	Eco	
Choir	Developing writing	Gymnastics	
Homework	Didi Rugby	Spanish	

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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)

Attendance figures are:

Whole school	– 2019 BB – 96.9%, 2019 nat. 96.0%
Pupil Premium	– 2018 BB – 95.5%, 2018 nat. 94.1%
Persistent Absence (Threshold 10%)	– 2018 BB – 3.3%, 2018 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: 1

Homophobic Incidents this academic year: 0

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

Fixed Term Exclusions: 2

Permanent Exclusions: 0

Complaints: 1

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.

**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT**

2019 KS2 Test/Assessment Progress				
	KS2	KS2 (nat.)	Previous 'Coasting School' indicator	Previous 'Floor Standard' indicator
Percentage of pupils achieving the expected standard in reading, writing and math's	64	65		
Average progress in reading between KS1 and KS2	-0.6	0	-2.5	-5.0
Average progress in writing between KS1 and KS2	-1.5	0	-3.5	-7.0
Average progress in math's between KS1 and KS2	-1.3	0	-2.5	-5.0

EXP+	2019 BB	2019 nat.	GDS	2019 BB	2019 nat.
Reading	74	73		24	28
Writing	79	78		8	20
Maths	75	79		20	24
Grammar, Punctuation and Spelling	82	78		38	34
Combined	64	65		6	10

**Achievements and Performance**

End of KS2 attainment continued to rise in almost every measure compared to the previous year (no aspects saw a decline from the previous year) which is very encouraging. Progress between KS1 and KS2 was lower than the previous year, which was expected, largely due to the high reading outcomes in 2015 and the formula used to measure progress of this cohort.

**KEY PERFORMANCE INDICATORS**

Battling Brook Primary School again received a 'Good' Ofsted Inspection outcome – October 2018. This is in part due to funding being allocated to improve the building environment to create areas that are inspirational and inviting for pupils. Funding was also allocated to maintaining effective monitoring of attendance, which at Battling Brook Primary School continues to be above the national average for all children and disadvantaged groups. Analysis of Battling Brook Primary School data similarly showed success at achieving below the national average persistent absentees, which is very positive.

PUPIL ATTENDANCE is recognised as a Key Objective. Funding towards efficient monitoring is prioritised by buying in the services 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.

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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 2018/2019 the greatest financial emphasis was placed upon increasing and improving the administration environment.

**Going Concern**

Trustees are confident that with a balanced five-year budget plan, contingencies and Risk Assessments in place 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.

**FINANCIAL REVIEW**

During 18/19 significant funds finalised the new modular building installed August 2018 which began pupil use in September 2018 as part of a 2 year building project. The renovation of the school's small hall in August 2019 into offices, meeting room and pupil room completed the project. These improvements and investments were as a result of well managed spending and forecasting so that adequate funds were raised for payment during 2018/19.

Battling Brook Primary School ended the year showing a deficit of £159,000, after providing for depreciation of £82,000 and a pension adjustment of £165,000 but before actuarial losses of £522,000.

The reserves will be carried over into the Academic Year 2019 to support the Priority Improvement Plan and annual costs. Investments are managed by principles outlined within the school's Investment Policy.

The majority of Battling Brook Primary School's funding comes from the Education and Skills Funding Agency (ESFA). Annual objectives going forward continue to be sourcing funding for projects and ensuring procurement is reviewed regularly maximising the effectiveness of the school budget. Battling Brook Primary School will continue to develop the premises and ensure the continuing viability of Battling Brook Primary School through active monitoring of funds.

Battling Brook Primary School applies its financial management 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 Regulations Policy can be seen on the school's website.

The school adopts the recommended National School Teachers Pay and Conditions. During 18/19 the teachers were paid equally to those recommended values. All teachers who wish to contribute to a pension scheme are enrolled with the National Teacher's Pension Scheme.

The pension scheme for support staff is run through the Local Government Pension Scheme underpinned by Hymans Robertson who undertakes a routine 3 year valuation in conjunction with Leicestershire County Council. Currently the school has a cash deficit of £1,539,000 spread over a 20 year period with a 14 year period left to run. The pension is based on contributions and assets. Contributions rose from April 2019 by approximately 1%. 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 pension contributions are externally audited annually to ensure pension liabilities are covered.

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Reserves Policy**

The Trustees have reviewed the reserves of the charity; 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 £201,000 in unrestricted and £304,000 in restricted scheme reserves with £12,000 Devolved Formula Capital committed revenue held in restricted fixed asset funds.

The agreed medium term target for Battling Brook Primary School is to maintain a level of reserves (excluding any revaluation reserve for the capital works) to a level which equates to approximately 3 months working capital, 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 2019. In the statements that follow this would be a net surplus of £505,000.

The school could realise the funds of approximately £250,000 on the sale of temporary accommodation.

At 31 August 2019 the total funds comprised:

Unrestricted		201,000
Restricted:	Fixed asset funds	3,160,000
	Pension reserve	(1,539,000)
	Other	302,000
		<hr/>
		2,126,000
		<hr/> <hr/>

**Investment Policy**

During the financial year Battling Brook Primary School accumulated a cash balance of £695,000, 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. Investment 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.

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

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**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 identified were:-

- The Academy receives an unfavourable Ofsted report;
- Change of funding policy and introduction of new education priorities by Government;
- Key person lost for long term;
- A major capital disaster i.e. fire;
- Legislative requirements are not complied with;
- Security threats to IT systems and corruption of data;
- Unforeseen significant increase to pension contributions due to Local Government Pension deficit; and
- Trustees have a high public profile and may cause the Academy to attract publicity.

Control measures in place are

Transfer:	For some risks the best response may be to transfer them eg. 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.

**Credit Arrangements**

The Academy minimises financial risk by stipulating within its Financial Regulations that money above the value of £10k, payable over a period of more than twelve months, is only borrowed with the written permission from the Secretary of State (i.e. external loans or bank overdrafts). Yearly cash flow predictions over an academic year and subsequent monthly reviews are based on actual movement of monies.

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**BATTLING BROOK PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**FUNDRAISING**

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**PLANS FOR FUTURE PERIODS**

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

Trustees wish for the Academy to continue to explore new initiatives and avenues for consistent pupil progress in teaching, learning and the premises. Due to high numbers of place applications, pupil places have been capped to ensure the quality of provision for those pupils on roll at the Academy. Our experience shows that intense small pupil groups continue to allow focused learning. These groups have raised attainment and, as such, this strategy influenced the 2 year building project which included a new modular and small hall refurbishment. Plans for the foreseeable future, where funds allow will be to be focus on improving outdoor facilities and office refurbishment. 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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, and signed on the Board's behalf by:

.....  
**F Lucas**  
Chair of Trustees

17 December 2019

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**BATTLING BROOK PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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, Stewart Marsden 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.

**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 year.

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
F Lucas (Chair of Trustees)	6	6
D Tampin	6	6
N Wileman	5	6
J Welford	5	6
J Cooling	3	6
P Woolaston	5	6
L Parry (Appointed 11 March 2019)	2	3
S Marsden (Headteacher and Accounting Officer)	6	6
L Mathie (Staff Trustee)	5	6
A Radford (Staff Trustee)	5	6
K Turton (Resigned 13 September 2019)	3	6
H Ablett (Resigned 31 December 2018)	3	3
S Barnes (Resigned 12 July 2019)	1	6

The work Trustees undertake includes ensuring clarity of vision, ethos and strategic direction. They also hold executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff. Trustees also oversee the financial performance of the organisation and make sure that funds are well spent the Board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the Board.

Trustees receive reports in advance from all aspects of the school some being Attainment, Finance, Safeguarding, SEN, Attendance, Staffing, Health & Safety and many more. They are then able to analyse the data in order to contribute fully in the scheduled meeting. Data is shared at Full Trustees and Committee Meetings by the Headteacher, Deputy Headteacher and Business Manager. Termly visits by Trustees also ensures their understanding of day-to-day practices and those staff involved.

Annually the Board undergoes a skills audit and assessment of its effectiveness which is discussed/reviewed at the annual strategy day. The challenges that arose were the election of a new chair and vice chair and how they would ensure the continued support for the school. In light of this a new strategic plan has been set up to ensure the board has clarity of vision for the next 3-5 years.



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

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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 of Trustees 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 the accountants and Local Authority 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.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
N Wileman	3	3
D Tampin	2	3
P Woolaston	3	3
S Marsden (Headteacher and Accounting Officer)	3	3
K Turton (Resigned 13 September 2019)	2	3

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 2018/2019. In order to ensure success and avoid negative consequences in the future, funds were monitored rigorously, and adequate funding was reached. The planned demolition/building project for February-August 2018 was successfully achieved.

#### **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 Academy Trust 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 management of building project & procurement of;
  - Supply, delivery & installation of small hall refurbishment;
  - IT services & touchscreens;
  - Fire alarm systems;
  - Intruder alarm system;
  - Access controls; and
  - Telephone upgrade to VOIP system.
- Introduction of a new electronic library system;
- The introduction of staff flu vaccinations in an attempt to reduce staff absence;
- We continue 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; and

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**BATTLING BROOK PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- High levels of in house attendance monitoring has proven best value with evidence of the school's high attendance levels of 97% August 2019. In addition very low rates of persistent absenteeism; cost savings have been made by the reduced reliance upon external contractors for attendance monitoring.

**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 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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 (LCC) Internal Audit Service as internal auditor.

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

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Leicestershire County Council's role includes giving advice on financial matters and performing 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;
- Budgetary planning, monitoring & reporting;
- Procurement;
- Payment cards;
- Income – general;
- Lettings;
- Trips;
- Efficiency;
- Risk;
- Data Protection;
- School Meals;
- Payroll and Personnel systems;
- Testing of control account/bank reconciliations; and
- Companies House registrations.

On a termly basis, the Chair of the Finance and Audit Committee reports to the Board of Trustees, through the Full Board of Trustee 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 2019 by Leicestershire County Council Audit Team. No major risks were found. Two minor risks were identified. No impact upon the Academy was noted.

#### **REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor, Leicestershire County Council Internal Audit Team;
- the work of the external auditor, MHA MacIntyre Hudson; 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 Finance and Audit Committee and the LCC Internal Audit Team to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17 December 2019 and signed on its behalf by:

.....  
**F Lucas**  
Chair of Trustees

.....  
**S Marsden**  
Accounting Officer

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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 terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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

.....  
**S Marsden**  
Accounting Officer

17 December 2019

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**BATTLING BROOK PRIMARY SCHOOL**

**(A company limited by guarantee)**

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

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

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

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

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

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

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

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

.....  
**F Lucas**  
Chair of Trustees

Date: 17 December 2019

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## BATTLING BROOK PRIMARY SCHOOL

(A company limited by guarantee)

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

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#### Opinion

We have audited the financial statements of Battling Brook Primary School (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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## BATTLING BROOK PRIMARY SCHOOL

(A company limited by guarantee)

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BATTLING BROOK PRIMARY SCHOOL (CONTINUED)

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#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report incorporating the Strategic Report, and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Statement of Trustees' Responsibilities. 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

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

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**BATTLING BROOK PRIMARY SCHOOL**

**(A company limited by guarantee)**

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

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**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

**Helen Blundell LLB FCA FCIE 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: 19 December 2019



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**BATTLING BROOK PRIMARY SCHOOL**

**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Battling Brook Primary School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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## BATTLING BROOK PRIMARY SCHOOL

(A company limited by guarantee)

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### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BATTLING BROOK PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

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#### Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity
- 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 payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- considerations of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

#### Conclusion

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

#### Reporting Accountant

##### MHA MacIntyre Hudson

Chartered Accountants  
Statutory Auditors

11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Date: 19 December 2019

**BATTLING BROOK PRIMARY SCHOOL**

(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants	3	-	2	-	2	1
Funding for the Academy's educational operations	4	-	2,692	34	2,726	2,614
Other trading activities	5	70	-	-	70	66
Investments	6	2	-	-	2	-
<b>Total income</b>		<b>72</b>	<b>2,694</b>	<b>34</b>	<b>2,800</b>	<b>2,681</b>
<b>Expenditure on:</b>						
Raising funds	8	41	126	-	167	158
Academy Trust's educational operations	9	-	2,710	82	2,792	2,663
<b>Total expenditure</b>		<b>41</b>	<b>2,836</b>	<b>82</b>	<b>2,959</b>	<b>2,821</b>
<b>Net income/(expenditure)</b>		<b>31</b>	<b>(142)</b>	<b>(48)</b>	<b>(159)</b>	<b>(140)</b>
Transfers between funds	18	-	(5)	5	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>31</b>	<b>(147)</b>	<b>(43)</b>	<b>(159)</b>	<b>(140)</b>
<b>Other recognised (losses)/gains:</b>						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(522)	-	(522)	304
<b>Net movement in funds</b>		<b>31</b>	<b>(669)</b>	<b>(43)</b>	<b>(681)</b>	<b>164</b>

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**BATTLING BROOK PRIMARY SCHOOL**

**(A company limited by guarantee)**

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

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	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
<b>Note</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>170</b>	<b>(568)</b>	<b>3,203</b>	<b>2,805</b>	2,641
Net movement in funds	<b>31</b>	<b>(669)</b>	<b>(43)</b>	<b>(681)</b>	164
<b>Total funds carried forward</b>	<b>201</b>	<b>(1,237)</b>	<b>3,160</b>	<b>2,124</b>	2,805

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 56 form part of these financial statements.

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**BATTLING BROOK PRIMARY SCHOOL**

(A company limited by guarantee)  
REGISTERED NUMBER: 08512087

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**BALANCE SHEET  
AS AT 31 AUGUST 2019**

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	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	15	3,148	3,203
<b>Current assets</b>			
Debtors	16	45	43
Cash at bank and in hand	22	695	684
		<u>740</u>	<u>727</u>
Creditors: amounts falling due within one year	17	(225)	(273)
<b>Net current assets</b>		<u>3,663</u>	<u>3,657</u>
<b>Total assets less current liabilities</b>		<u>3,663</u>	<u>3,657</u>
Defined benefit pension scheme liability	23	(1,539)	(852)
<b>Total net assets</b>		<u><u>2,124</u></u>	<u><u>2,805</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	3,160	3,203
Restricted income funds	18	302	284
		<u>3,462</u>	<u>3,487</u>
Restricted funds excluding pension asset	18	3,462	3,487
Pension reserve	18	(1,539)	(852)
<b>Total restricted funds</b>	18	<u>1,923</u>	<u>2,635</u>
<b>Unrestricted income funds</b>	18	201	170
<b>Total funds</b>		<u><u>2,124</u></u>	<u><u>2,805</u></u>

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**BATTLING BROOK PRIMARY SCHOOL**

**(A company limited by guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 25 to 56 were approved by the Trustees, and authorised for issue on 17 December 2019 and are signed on their behalf, by:

.....  
**F Lucas**  
Chair of Trustees

.....  
**S Marsden**  
Accounting Officer

The notes on pages 30 to 56 form part of these financial statements.

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**BATTLING BROOK PRIMARY SCHOOL**

**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019 £000</b>	<b>2018 £000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	3	204
<b>Cash flows from investing activities</b>	21	8	(329)
<b>Change in cash and cash equivalents in the year</b>		<b>11</b>	<b>(125)</b>
Cash and cash equivalents at the beginning of the year		<b>684</b>	809
<b>Cash and cash equivalents at the end of the year</b>	22	<b>695</b>	684

The notes on pages 30 to 56 form part of these financial statements

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## BATTLING BROOK PRIMARY SCHOOL

(A company limited by guarantee)

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

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#### 1. Accounting policies

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

##### 1.1 Basis of preparation of financial statements

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

Battling Brook Primary School meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional currency, 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.



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## BATTLING BROOK PRIMARY SCHOOL

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

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#### 1. Accounting policies (continued)

##### 1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

##### 1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

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## BATTLING BROOK PRIMARY SCHOOL

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

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#### 1. Accounting policies (continued)

##### 1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

##### 1.5 Interest receivable

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

##### 1.6 Taxation

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

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

##### 1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Leasehold property transferred on conversion is stated at the value on transfer (deemed cost).

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.

Depreciation is provided on all tangible fixed assets, other than assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold property	- 2% straight line per annum
Long-term leasehold land	- over the term of the lease
Furniture 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.

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## BATTLING BROOK PRIMARY SCHOOL

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

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#### 1. Accounting policies (continued)

##### 1.8 Cash at bank and in hand

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

##### 1.9 Liabilities

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

##### 1.10 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.11 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

*Cash at bank* - is classified as a basic financial instrument and is measured at face value.

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

##### 1.12 Operating leases

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

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## BATTLING BROOK PRIMARY SCHOOL

(A company limited by guarantee)

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

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#### 1. Accounting policies (continued)

##### 1.13 Pensions

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

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

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

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

##### 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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

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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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 15 for the carrying amount of 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**3. Donations and capital grants**

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Donations	2	2	1
Total 2018	1	1	

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

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**4. Funding for the Academy's educational operations**

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	Total funds 2018 £000
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	2,134	<b>2,134</b>	2,095
Pupil Premium	123	<b>123</b>	135
Devolved Formula Capital	34	<b>34</b>	11
Other ESFA/DfE grants	144	<b>144</b>	115
	<hr/>	<hr/>	<hr/>
	2,435	<b>2,435</b>	2,356
	<hr/>	<hr/>	<hr/>
<b>Other government grants</b>			
Local Authority grants	106	<b>106</b>	84
Nursery grants	138	<b>138</b>	129
	<hr/>	<hr/>	<hr/>
	244	<b>244</b>	213
	<hr/>	<hr/>	<hr/>
<b>Other funding</b>			
Parental contributions	47	<b>47</b>	43
Other income	-	<b>-</b>	2
	<hr/>	<hr/>	<hr/>
	47	<b>47</b>	45
	<hr/>	<hr/>	<hr/>
	2,726	<b>2,726</b>	2,614
	<hr/>	<hr/>	<hr/>

In 2018, all funding for the Academy's educational operations was classified as restricted funds.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Nursery income	8	<b>8</b>	10
Breakfast club income	15	<b>15</b>	13
Lettings and facilities income	15	<b>15</b>	15
Catering income	31	<b>31</b>	26
Teacher placement income	1	<b>1</b>	2
	<hr/>	<hr/>	<hr/>
	70	<b>70</b>	66
	<hr/>	<hr/>	<hr/>

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

**6. Investment income**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Investment income	2	<b>2</b>
	<hr/>	<hr/>

In 2018, there were no amounts received for investment income.

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**BATTLING BROOK PRIMARY SCHOOL****(A company limited by guarantee)**

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

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**7. Expenditure**

	<b>Staff Costs 2019 £000</b>	<b>Premises 2019 £000</b>	<b>Other 2019 £000</b>	<b>Total 2019 £000</b>
Expenditure on raising voluntary income:				
Direct costs	126	-	41	<b>167</b>
Educational operations:				
Direct costs	1,924	64	136	<b>2,124</b>
Allocated support costs	332	99	237	<b>668</b>
<b>Total 2019</b>	<b>2,382</b>	<b>163</b>	<b>414</b>	<b>2,959</b>

	<b>Staff Costs 2018 £000</b>	<b>Premises 2018 £000</b>	<b>Other 2018 £000</b>	<b>Total 2018 £000</b>
Expenditure on raising voluntary income:				
Direct costs	117	-	41	158
Educational operations:				
Direct costs	1,843	65	127	2,035
Allocated support costs	304	106	218	628
<b>Total 2018</b>	<b>2,264</b>	<b>171</b>	<b>386</b>	<b>2,821</b>

In 2018 of the total expenditure of £2,821,000, £41,000 was from unrestricted funds, £2,701,000 was from restricted funds and £79,000 from restricted fixed asset funds.



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**BATTLING BROOK PRIMARY SCHOOL**

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

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**8. Expenditure on raising funds****Costs of raising voluntary income**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Nursery expenses	7	-	7
Breakfast club expenses	2	-	2
Catering expenditure	31	-	31
Other expenditure	1	-	1
Nursery and Breakfast club staff costs - Gross	-	98	98
Nursery and Breakfast club staff costs - NI	-	7	7
Nursery and Breakfast club staff costs - Pension	-	21	21
<b>Total 2019</b>	<b>41</b>	<b>126</b>	<b>167</b>

  

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Total funds 2018 £000</b>
Nursery expenses	9	-	9
Breakfast club expenses	3	-	3
Catering expenditure	26	-	26
Other expenditure	3	-	3
Nursery and Breakfast club staff costs - Gross	-	92	92
Nursery and Breakfast club staff costs - NI	-	6	6
Nursery and Breakfast club staff costs - Pension	-	19	19
<b>Total 2018</b>	<b>41</b>	<b>117</b>	<b>158</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Analysis of expenditure by activities**

	<b>Direct costs 2019 £000</b>	<b>Support costs 2019 £000</b>	<b>Total funds 2019 £000</b>
Academy Trust educational operations	2,124	668	<b>2,792</b>

	<b>Direct costs 2018 £000</b>	<b>Support costs 2018 £000</b>	<b>Total funds 2018 £000</b>
Academy Trust educational operations	2,035	628	2,663

**Analysis of direct costs**

	<b>Activities 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Staff costs	1,924	<b>1,924</b>	1,843
Depreciation	82	<b>82</b>	79
Educational supplies	37	<b>37</b>	33
Staff development	17	<b>17</b>	15
Other direct costs	55	<b>55</b>	55
Insurance	9	<b>9</b>	10
	2,124	<b>2,124</b>	2,035

In 2018, all direct costs from Academy Trust educational operations were classified as restricted funds.

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**BATTLING BROOK PRIMARY SCHOOL**

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

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**9. Analysis of expenditure by activities (continued)****Analysis of support costs**

	<b>Activities 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Staff costs	307	<b>307</b>	278
Pension finance cost (note 14)	25	<b>25</b>	26
Recruitment and support	-	-	8
Maintenance of premises and equipment	76	<b>76</b>	74
Cleaning	6	<b>6</b>	6
Rent and rates	10	<b>10</b>	9
Energy costs	28	<b>28</b>	27
Insurance	16	<b>16</b>	15
Catering	97	<b>97</b>	98
Legal and professional	26	<b>26</b>	25
Other support costs	45	<b>45</b>	39
Loss on disposal of fixed assets	1	<b>1</b>	-
Nursery costs	16	<b>16</b>	12
Governance costs	15	<b>15</b>	11
	<u>668</u>	<u><b>668</b></u>	<u>628</u>

In 2018, all support costs from Academy Trust educational operations were classified as restricted funds.

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £000</b>	<b>2018 £000</b>
Operating lease rentals	<b>3</b>	3
Depreciation of tangible fixed assets	<b>82</b>	79
Loss on disposal of fixed assets	<b>1</b>	-
Fees paid to auditors for:		
Auditors remuneration - audit services	<b>14</b>	11
Internal audit costs	<b>1</b>	1
	<u><b>1</b></u>	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Wages and salaries	<b>1,746</b>	1,658
Social security costs	<b>131</b>	126
Pension costs	<b>469</b>	438
	<hr/> <b>2,346</b>	<hr/> 2,222
Agency staff costs	<b>11</b>	16
Pension finance cost (note 14)	<b>25</b>	26
	<hr/> <b>2,382</b> <hr/>	<hr/> 2,264 <hr/>

**b. Staff numbers**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
Teaching	<b>29</b>	34
Administration and support	<b>74</b>	83
Management	<b>4</b>	4
	<hr/> <b>107</b> <hr/>	<hr/> 121 <hr/>

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	2018
	<b>No.</b>	No.
Teaching	<b>25</b>	27
Administration and support	<b>44</b>	30
Management	<b>4</b>	4
	<hr/> <b>73</b> <hr/>	<hr/> 61 <hr/>

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**BATTLING BROOK PRIMARY SCHOOL**

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

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**11. Staff costs (continued)****c. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>2</b>	1
In the band £70,001 - £80,000	-	1
	<u>          </u>	<u>          </u>

The above employees participated in the Teachers' Pension Scheme. During the period the pension contributions for these members of staff amounted to £21,030 (2018 - £22,156).

**d. Key management personnel**

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management 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 £240,223 (2018 - £247,018).

**12. Trustees' remuneration and expenses**

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

		<b>2019</b>	2018
		<b>£000</b>	£000
S Marsden, Headteacher and Accounting Officer	Remuneration	<b>60 - 65</b>	70 - 75
	Pension contributions paid	<b>10 - 15</b>	10 - 15
L Mathie, Staff Trustee	Remuneration	<b>60 - 65</b>	60 - 65
	Pension contributions paid	<b>10 - 15</b>	10 - 15
A Radford, Staff Trustee	Remuneration	<b>15 - 20</b>	15 - 20
	Pension contributions paid	<b>0 - 5</b>	0 - 5

During the year ended 31 August 2019, mileage expenses were reimbursed to 1 Trustee amounting to £56 (2018 - 2 Trustees received £201 for school materials).

Other related party transactions involving the Trustees are set out in note 26.

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**BATTLING BROOK PRIMARY SCHOOL**

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

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**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £523 (2018 - £518). The cost of this insurance is included in the total insurance cost.

**14. Pension finance cost**

	<b>2019</b>	2018
	<b>£000</b>	£000
Interest income on pension scheme assets	<b>45</b>	34
Interest on pension scheme liabilities	<b>(70)</b>	(60)
	<u><b>(25)</b></u>	<u>(26)</u>

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**BATTLING BROOK PRIMARY SCHOOL****(A company limited by guarantee)**

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

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**15. Tangible fixed assets**

	Long-term leasehold land and property £000	Furniture and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2018	3,326	168	70	3,564
Additions	18	10	-	28
Disposals	-	(1)	-	(1)
At 31 August 2019	<u>3,344</u>	<u>177</u>	<u>70</u>	<u>3,591</u>
<b>Depreciation</b>				
At 1 September 2018	239	68	54	361
Charge for the year	54	17	11	82
At 31 August 2019	<u>293</u>	<u>85</u>	<u>65</u>	<u>443</u>
<b>Net book value</b>				
At 31 August 2019	<u>3,051</u>	<u>92</u>	<u>5</u>	<u>3,148</u>
At 31 August 2018	<u>3,087</u>	<u>100</u>	<u>16</u>	<u>3,203</u>

Included in long leasehold property is long leasehold land valued at £1,038,500 (2018 - £1,038,500) on conversion in 2013 by Graham Tyerman MRICS, 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.

The Academy obtained a revaluation in September 2018, which was completed by Leicestershire County Council, Sally Turner MRICS. The leasehold buildings were valued at £4,489,900 and the leasehold land was valued at £776,400.

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

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**16. Debtors**

	<b>2019</b>	2018
	<b>£000</b>	£000
VAT recoverable	<b>6</b>	6
Prepayments and accrued income	<b>39</b>	37
	<u><b>45</b></u>	<u>43</u>

**17. Creditors: Amounts falling due within one year**

	<b>2019</b>	2018
	<b>£000</b>	£000
Other taxation and social security	<b>32</b>	31
Other creditors	<b>37</b>	37
Accruals and deferred income	<b>156</b>	205
	<u><b>225</b></u>	<u>273</u>

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>Deferred income</b>		
Deferred income at 1 September 2018	<b>128</b>	106
Resources deferred during the year	<b>137</b>	128
Amounts released from previous periods	<b>(128)</b>	(106)
<b>Deferred income at 31 August 2019</b>	<u><b>137</b></u>	<u>128</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income, Rates reimbursement and Nursery funding for the next academic year.



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**18. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Losses £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
Unrestricted funds	170	72	(41)	-	-	201
<b>Restricted general funds</b>						
General Annual Grant (GAG)	281	2,134	(2,112)	(5)	-	298
Pupil premium	3	123	(122)	-	-	4
Other ESFA/DfE grants	-	144	(144)	-	-	-
Local Authority grants	-	244	(244)	-	-	-
Other income	-	49	(49)	-	-	-
Pension reserve	(852)	-	(165)	-	(522)	(1,539)
	<u>(568)</u>	<u>2,694</u>	<u>(2,836)</u>	<u>(5)</u>	<u>(522)</u>	<u>(1,237)</u>
<b>Restricted fixed asset funds</b>						
Net book value	3,203	-	(82)	27	-	3,148
Devolved Formula Capital	-	34	-	(22)	-	12
	<u>3,203</u>	<u>34</u>	<u>(82)</u>	<u>5</u>	<u>-</u>	<u>3,160</u>
<b>Total Restricted funds</b>	<u>2,635</u>	<u>2,728</u>	<u>(2,918)</u>	<u>-</u>	<u>(522)</u>	<u>1,923</u>
<b>Total funds</b>	<u>2,805</u>	<u>2,800</u>	<u>(2,959)</u>	<u>-</u>	<u>(522)</u>	<u>2,124</u>

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

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 2019. Transfers of £5,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards computer equipment and furniture and fittings.

**Pupil premium**

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

**Other ESFA/DfE grants**

Other funds provided by the ESFA/DfE 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.

**Devolved Formula Capital**

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 the 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.

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**18. Statement of funds (continued)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Unrestricted funds	429	66	(41)	(284)	-	170
<b>Restricted funds</b>						
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)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	2,953	-	(79)	329	-	3,203
Devolved Formula Capital	22	11	-	(33)	-	-
	2,975	11	(79)	296	-	3,203
<b>Total Restricted funds</b>	2,212	2,615	(2,780)	284	304	2,635
<b>Total funds</b>	2,641	2,681	(2,821)	-	304	2,805

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

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**19. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Tangible fixed assets	-	-	3,148	<b>3,148</b>
Current assets	201	527	12	<b>740</b>
Current liabilities	-	(225)	-	<b>(225)</b>
Provisions for liabilities and charges	-	(1,539)	-	<b>(1,539)</b>
<b>Total 2019</b>	<b>201</b>	<b>(1,237)</b>	<b>3,160</b>	<b>2,124</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Restricted fixed asset funds 2018 £000</b>	<b>Total funds 2018 £000</b>
Tangible fixed assets	-	-	3,203	<b>3,203</b>
Current assets	170	557	-	<b>727</b>
Current liabilities	-	(273)	-	<b>(273)</b>
Pension scheme liabilities	-	(852)	-	<b>(852)</b>
<b>Total 2018</b>	<b>170</b>	<b>(568)</b>	<b>3,203</b>	<b>2,805</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Net expenditure for the year (as per Statement of financial activities)	<b>(159)</b>	(140)
<b>Adjustments for:</b>		
Depreciation	<b>82</b>	79
Capital grants from DfE group	<b>(34)</b>	-
Loss on disposal	<b>1</b>	-
Defined benefit pension scheme cost less contributions payable	<b>140</b>	133
Defined benefit pension scheme finance cost (note 14)	<b>25</b>	26
(Increase)/decrease in debtors	<b>(2)</b>	13
(Decrease)/increase in creditors	<b>(48)</b>	93
Interest received	<b>(2)</b>	-
<b>Net cash provided by operating activities</b>	<b>3</b>	204

**21. Cash flows from investing activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Purchase of tangible fixed assets	<b>(28)</b>	(329)
Capital grants from DfE Group	<b>34</b>	-
Interest received	<b>2</b>	-
<b>Net cash provided by investing activities</b>	<b>8</b>	(329)

**22. Analysis of cash and cash equivalents**

	<b>2019</b>	2018
	<b>£000</b>	£000
Cash in hand	<b>695</b>	684
<b>Total cash and cash equivalents</b>	<b>695</b>	684

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

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#### 23. Pension commitments

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

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

Contributions amounting to £37,000 were payable to the schemes at 31 August 2019 (2018 - £37,000) and are included within other creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### The Teachers' Pension Budgeting And Valuation Account

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

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

The employer's pension costs paid to TPS in the period amounted to £160,000 (2018 - £150,000).

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## BATTLING BROOK PRIMARY SCHOOL

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

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#### 23. Pension commitments (continued)

##### Valuation of the Teachers' Pension Scheme

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

A copy of the valuation report can be found following this link to this Teachers' Pension Scheme website <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>.

##### Scheme Changes

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

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £212,000 (2018 - £187,000), of which employer's contributions totalled £172,000 (2018 - £150,000) and employees' contributions totalled £ 40,000 (2018 - £37,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% - 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

	2019	2018
	%	%
Rate of increase in salaries	3.3	3.3
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lump sums	50.0	50.0

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

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

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

**Sensitivity analysis**

	<b>2019</b>	2018
	<b>£000</b>	£000
Discount rate +0.1%	<b>(99)</b>	(69)
Discount rate -0.1%	<b>99</b>	69
Mortality assumption - 1 year increase	<b>134</b>	94
Mortality assumption - 1 year decrease	<b>(134)</b>	(94)
CPI rate +0.1%	<b>81</b>	54
CPI rate -0.1%	<b>(81)</b>	(54)

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

	<b>At 31</b>	At 31
	<b>August 2019</b>	August 2018
	<b>£000</b>	£000
Equities	<b>1,045</b>	931
Corporate bonds	<b>559</b>	406
Property	<b>144</b>	135
Cash and other liquid assets	<b>54</b>	30
<b>Total market value of assets</b>	<b>1,802</b>	1,502

The Academy expects to contribute £183,000 to its defined benefit pension scheme in 2020.

The actual return on scheme assets was £103,000 (2018 - £63,000).



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**23. Pension commitments (continued)**

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

	<b>2019</b>	2018
	<b>£000</b>	£000
Current service cost	<b>(268)</b>	(283)
Past service cost	<b>(44)</b>	-
Interest income	<b>45</b>	34
Interest cost	<b>(70)</b>	(60)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(337)</b>	(309)

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

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>At 1 September</b>	<b>2,354</b>	2,261
Current service cost	<b>268</b>	283
Past service costs	<b>44</b>	-
Interest cost	<b>70</b>	60
Employee contributions	<b>40</b>	37
Actuarial losses/(gains)	<b>580</b>	(275)
Benefits paid	<b>(15)</b>	(12)
<b>At 31 August</b>	<b>3,341</b>	2,354

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

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>At 1 September</b>	<b>1,502</b>	1,264
Interest income	<b>45</b>	34
Actuarial gains	<b>58</b>	29
Employer contributions	<b>172</b>	150
Employee contributions	<b>40</b>	37
Benefits paid	<b>(15)</b>	(12)
<b>At 31 August</b>	<b>1,802</b>	1,502

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Operating lease commitments**

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

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>Amounts payable:</b>		
Amounts due within one year	<b>2</b>	3
Amounts due between one and five years	-	2
	<u><b>2</b></u>	<u>5</u>
	<u><b>2</b></u>	<u>5</u>

**25. Members' liability**

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

**26. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

**27. Company limited by guarantee**

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

**28. Controlling party**

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