

Registered number: 08512087 (England and Wales)

BATTLING BROOK PRIMARY SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020**

Members

D Tampin
P Woolaston
F Lucas (Resigned 24 August 2020)
J Welford
L Mathie (Staff Trustee)

Trustees

S Marsden - Headteacher and Accounting Officer
F Lucas (Resigned 24 August 2020)
J Cooling
J Welford
N Wileman
D Tampin - Chair of Trustees
L Parry
A Radford - Staff Trustee
L Mathie - Acting Headteacher and Acting Accounting Officer
P Woolaston

Company Secretary

J Burgess (Resigned 26 August 2019)
J Jones (Appointed 27 August 2019)

Senior Leadership Team

S Marsden (Headteacher)
L Mathie (Deputy Headteacher and Acting 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 & Wales)

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

Independent Auditor

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

Bankers

NatWest
13 The Borough
Hinckley
Leicestershire
LE10 1LG

Lloyds Bank plc
PO Box 1000
BX1 1L

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 3 to 11 serving a catchment area in Leicestershire. It has a pupil capacity of 630 and had a roll of 599 in the school census in January 2020.

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 £517 (2019 - £523).

Method of Recruitment and Appointment or Election of Trustees

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

There is 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 governor 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.

All Trustees are required to undertake a DBS check once appointed/re-elected. Parent and Staff Trustees are appointed by invitation to nominate followed by an election process. Community and Co-opted Trustees are sourced by the Board of Trustees.

**BATTLING BROOK PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

Working closely with the Headteacher, the Board of Trustees is responsible for producing an Annual Report and recommending the annual budget. In addition, their role is to hold senior leaders to account for aspects of the Academy performance and ensure legal compliance through robust policies and procedures.

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 to and risk is minimised.

The day to day management and effective leadership of the school is very much the responsibility of the Headteacher and his Senior Management Team to whom responsibilities are delegated. 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. Meetings are held weekly. The Business Manager is responsible for overseeing the school finances, short and long term plans, Personnel, Premises and Health & Safety compliance. The Senior Leadership Team, which includes the Business Manager, meet regularly to discuss any key issues relating to the 'business'.

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

Personal Development, Behaviour and & Attitudes Committee

P Woolaston - Chair
J Welford
A Radford
F Lucas (Resigned 24 August 2020)
S Marsden
L Mathie
L Parry

Curriculum Committee

D Tampin - Chair
S Marsden
L Mathie
F Lucas (Resigned 24 August 2020)
J Cooling
L Parry
P Woolaston

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

Pay & Performance Committee

F Lucas – Chair (Resigned 24 August 2020)
J Cooling
J Welford
N Wileman
S Marsden

Headteacher's Performance Management Committee

F Lucas (Resigned 24 August 2020)
J Welford
J Cooling
External advisor

Resources Committee

N Wileman - Chair
S Marsden
D Tampin
P Woolaston
J Welford
J Cooling

Other identified roles for Trustees are

- Phase Groups;
- Safeguarding;
- Risk Management;
- SEND/Looked After Children;
- Sports Premium;
- Higher Attaining Pupils; and
- Pupil Premium.

Arrangements for setting pay and remuneration of Key Management Personnel

All Academy Key Management Personnel are required to disclose any interest where they are related to anyone that may influence decisions. The school's Governors Allowance Policy 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 is determined by the Board of Trustees Pay & 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 2019.

All key management teaching personnel salaries and remunerations are determined by a series of annual Pay Performance related reviews 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 Trust's Pay and Performance Committee who consider the costs within the overall school budget.

**BATTLING BROOK PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 Trust's Pay and Performance Committee who consider the costs within the overall school budget.

Trade union facility time & Relevant union officials

There was no acting trade union official at Battling Brook Primary School during the year 1 September 2019 to 31 August 2020. Therefore, no trade union facility time occurred or related costs.

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, Training, Business Manager networking (procurement and best practice), NQT's and EYFS. Battling Brook'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 governor training;
- Leicestershire LA – moderation;
- RML Development days;
- Angela Kirk – Assessment analysis;
- Lisa Morgan - Education Effectiveness Partner;
- Lynda Smith – Performance Management Review – HT;
- 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 registered charity). 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's 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

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

Our objective and aim 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. Our aims are for them to experience outstanding opportunities. 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 so that all pupils feel safe and achieve their best possible outcome. The safeguarding/child protection policy is available on the website within the Key Information / School Policies section.

Objectives, Strategies and Activities

Battling Brook Primary School's core objectives are outlined within the annual Battling Brook Priority Improvement Plan (BB PIP) created by the SLT (Headteacher, Deputy Headteacher and School Business Manager) with phase/year leader and governor support.

The main objectives are:

- Children to achieve at least in line with school expectations in writing;
- Children to achieve at least in line with school expectations in maths;
- All teaching over time is consistently good/outstanding;
- To ensure the school is well resourced to support both the learning and wellbeing needs of all stakeholders;
- To develop an engaging, safe, sustainable learning and working environment; and
- This drives strategies and activities to assure positive outcomes across.

Our BBC HD (Battling Brook Curriculum) 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 BBC 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 academic 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.

A new PHSE programme known as Jigsaw was introduced 2019/2020 to support the pupil's development as people and because we believe that this also supports their learning capacity.

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

At Battling Brook Primary School, during 2019/2020 we offered 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	Athletics	Maths
Hockey	Tag rugby	Tri golf
Wake Up, Shake Up!	Gardening	Dodge ball
Nurture	Football Boys & Girls	Spanish
JRSO	Multi Skills	Eco
Choir	Gymnastics	
Homework	Art	

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.

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

Up to and including March 2020, Attendance figures were:

Whole school	-2019 BB – 96.22%,
Pupil Premium	-2019 BB – 93.6%,
Persistent Absence (Threshold 10%)	-2019 BB – 5.3%,

No National Data is available for comparison at present.

Standards of Teaching and Learning

EXP+	Pupils at Expected Levels		Pupils reaching Greater Depth in study		
	BB TA March 2020 %	National Average 2019 %	GDS	BB TA March 2020 %	National Average 2019 %
READING	80	73		17	27
WRITING	86	78		7	20
MATHS	72	79		12	27
GPS	82	78		38	34
COMBINED	64	65		3	10

As part of the school's normal internal assessment the school holds percentage data up to March 2020 based on Teacher Assessments. No National statutory data is available for comparison.

Successful Recruitment

Battling Brook Primary School continues to attract its maximum number of 87 pupils per Year Group and applications mid-year. Applications continue to exceed the Pupil Admission Number resulting in appeals.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

Exemplary Practice

There were 0 recordings of pupil exclusions and 1 incident of racism during 2019/20.

Working with the Local Community

As a charitable organisation we support parents through the Leicester Charity Link to provide household items, raise collections for food and toy banks and support fund raising work with the Parents Teachers Families Association (PTFA).

Public Benefit

In setting our objective and planning out activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit. We confirm that we have complied with our duties under part 4 of the Charities Act 2011 and have considered the public benefit guidance published by the Charity Commission. The Trustees' Report gives a description of the activities undertaken by Battling Brook Primary School during the period in furtherance of its charitable purposes, and the Trustees are satisfied that such activities provide public benefit.

STRATEGIC REPORT

Achievements and Performance

The Trust members and Trustees are responsible for establishing the strategic direction of the Trust. They ensure accountability through recruitment, performance management, financial performance, monitoring and evaluation of education and support, and engaging with stakeholders to ensure they too get their voices heard.

The Trustees undertake meetings with the Senior Leadership Team, they review specific targets and objectives set out in the Improvement Plan by visiting with Phase Leaders and Year Leaders. They will complete learning walks and phase visits (to meet with year group leaders) to ascertain accountability and progress. They also undertake parent, student and staff questionnaires and discussions to ensure key stakeholder views on effectiveness and support are reflected. Their findings are evaluated in line with the Key Performance Indicators measurements and shared with other committees and the full Board of Trustees to evidence the achievements and performance of the school in line with the Improvement Plan.

The Key Performance Indicators during 2019/2020 were:

- Curriculum design, planning and delivery - to ensure pupils achieve in line with school expectations;
- Assessment and Improvement – to ensure teaching overtime is consistently good;
- Safeguarding - engaging, safe, sustainable learning and working environment;
- Financial performance and effective use of resources - the school is well resourced to support both the learning and wellbeing needs of all stakeholders; and
- Teacher Assessments will be used to assess achievements.

Key Financial Performance Indicators

Battling Brook Primary School received a 'Good' Ofsted Inspection outcome in October 2018. Inspection findings focused on a greater proportion of pupils achieving the highest standards in reading, writing and in mathematics KS2. These improvement targets were the basis of the school improvement plan. The indication from teacher assessments shows that pupils achieved for 2019/2020 above national average in reading and writing.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

Pupil attendance though effected by the Covid-19 remained high when school was open to all pupils.

During 2019/2020 pupil recruitment continued to remain high with 98.7% of all pupil places taken across the school.

Staffing levels remained stable with an annual turnover of 4.81% of 104 staff.

The school had budgeted an in year deficit in order to fund improvements to the outdoor provisions. This was funded from reserves brought forward. This improvement was undertaken as part of a refurbishment of the sports and recreational areas during the year. The works have provided outdoor enrichment, opportunity and wellbeing for all pupils now and in the future.

The school also invested and improved safeguarding monitoring with the introduction of a digital platform CPOMs and in addition, a new digital printing contract provided better value for money, reliability and maintenance.

The everyday operational finances of the school were conducted within a balanced budget and due to financial monitoring a minimal overspend was achieved. Therefore, the school retained sufficient reserves to carry forward into the next academic year.

Going Concern

Trustees are confident that with long term budget planning, 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 formulas and staffing levels remaining consistent for the foreseeable future. For this reason, the Academy 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.

A claim was made during 2019/20 for exceptional Covid-19 costs in relation to the additional purchases of:

- Cleaning products;
- Sanitisers;
- PPE products;
- Washroom products;
- Increased hours of staff;
- Additional washroom facilities;
- Additional learning resources; and
- Updated IT facilities.

Unfortunately, the school lost all income for lettings and clubs from March 2020 onwards. No funding for exceptional costs was received by 31 August 2020.

FINANCIAL REVIEW

During 2019/20 significant funds were allocated to outdoor provisions. The renovation of the school's small hall in August 2019 into offices, meeting room and pupil room was completed. These improvements and investments were as a result of a combination of years' budget monitoring.

Battling Brook Primary School ended the year showing a deficit of £300,000, after providing for depreciation of £79,000 and a pension adjustment of £209,000 but before actuarial losses of £127,000.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

Reserves will be carried over into the next Academic Year 2020 to support annual costs and the Priority Improvement Plan. 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 where funds allow 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 19/20 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 LCC. Currently the school has a cash deficit of £1,875,000 spread over a 20 year period with a 13 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 Local Government Pension Scheme (LGPS) members to protect against the risk of significant pension liabilities.

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 there are reserves of £238,000 in respect of unrestricted funds, which incorporate the Nursery provision, and restricted funds of £203,000, of which £3,000 has been ringfenced for Pupil Premium funds. No capital reserves have been held due to capital investment.

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 2020. In the statements that follow this would be a net surplus of £441,000.

The school could realise the funds of approximately £200,000 on the sale of temporary accommodation.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teacher's scheme, separate assets are held to fund future liabilities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

The principal risks facing the Academy were:-

- Recruitment following an unfavourable Ofsted report;
- Security threats to IT systems and corruption of data;
- Change of funding policy and introduction of new education priorities by Government;
- Key person lost for long term i.e. ill health;
- A major capital disaster i.e. fire;
- Legislative requirements are not complied with;
- 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. Covid-19 became a new principal risk during 2019/20. Actions that arise are reported back at follow up meetings.

The deficit on the LGPS pension reserve relates to the non-teaching staff pension scheme where, unlike the Teachers Pensions scheme, separate assets are held to fund future liabilities.

Credit Arrangements

The Academy minimises financial risk by stipulating within its Financial Regulations that money above the value of £10,000, 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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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

FUNDRAISING

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

Battling Brook Primary School conducted fundraising for the following charities during 2019/20;

- Children in Need - £536
- Parents Teachers Family Association (PTFA)
- Save the Children - £419
- Royal British Legion (sealed collections)

PLANS FOR FUTURE PERIODS

The key objectives for the future are:

- Continued improvement on pupil attainment outcomes;
- To maintain an in year balance;
- To maintain pupil recruitment;
- Source alternative income streams; and
- 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. Our experience shows that intense small pupil groups continue to allow focused learning. Plans for the foreseeable future, where funds allow will be to focused on improving indoor provision. The Academy will continue to collaboration with neighbouring schools and share resources for the best practice of the community. However, the key objective is to continue to improve pupil outcomes.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the Trustees are aware:

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

The reappointment of auditors will be considered at the first Resources Committee of the Spring Term 2021.

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:

.....
D Tampin
Chair of Trustees

Date: 15 December 2020

BATTLING BROOK PRIMARY SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

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 Headteacher and Accounting Officer and to Lisa Mathie as Acting Headteacher and Acting 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 5 times during the year. Since the Board of Trustees met fewer than 6 times, the Trustees maintained oversight of the Academy by receiving monthly reporting on a monthly basis.

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

Trustee	Meetings attended	Out of a possible
F Lucas - Chair of Trustees (Resigned 24 August 2020)	5	5
D Tampin - Vice Chair	5	5
N Wileman	4	5
P Woolaston	5	5
J Welford	5	5
J Cooling	4	5
S Marsden - Headteacher and Accounting Officer	5	5
A Radford - Staff Trustee	4	5
L Mathie - Acting Headteacher, Acting Accounting Officer and Staff Trustee	5	5
Lauren Parry	2	5

The Chair of Trustees resigned at the end of 2019/20. An election took place in September 2020 and D Tampin was appointed the new Chair of Trustees. 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 and in line with the Board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the Board.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

The greatest challenge that arose during the year was the adaptation to virtual meetings during Covid-19 and ensuring contact and communication remained strong. Unfortunately, some committee meetings were cancelled and rescheduled when appropriate resources and Trustees were available. During this period there was no instruction from the DfE that there was no requirement to hold committee meetings. However, a monthly finance report was sent to the Chair of Trustees to ensure that the financial position of the school was clear, up to date and understood.

The Finance and Audit matters are undertaken within the Resources Committee which 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 external auditors 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.

During the year 2019/20 the committee met as follows:

Trustee	Meetings attended	Out of a possible
N Wileman	1	1
D Tampin	1	1
J Cooling	1	1
J Welford	1	1
S Marsden/L Mathie (Acting Principal and Accounting Officer)	1	1

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 2019/20. In order to ensure success and avoid negative consequences in the future, funds were monitored rigorously, and adequate funding was reached.

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.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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

- In house management of projects and procurement;
 - Supply, delivery & installation of astro turf;
 - Supply, delivery & installation of children's adventure play area;
 - Upgrade of IT services & touchscreens;
 - Increased capacity of CCTV; and
 - Improved photocopying reliability, capability and costs.
- Introduction of a new electronic Safeguarding platform CPOMs;
- Introduction of JIGSAW for the delivery of PHSE; and
- Staff flu vaccinations in an attempt to reduce staff absence.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

- 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.

The internal auditor'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:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

On a termly basis, the Chair of the Resources 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 is 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 June 2020 by Leicestershire County Council Audit Team. No major risks were found. A recommendation to simplify and reduce the Risk Register was given. No impact upon the Academy was noted.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher/Acting 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 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 Resources Committee and LCC Internal Audit Team and a plan to address weaknesses to ensure continuous improvement of the system is in place.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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

.....
D Tampin
Chair of Trustees

Date: 15 December 2020

.....
L Mathie
Acting Accounting Officer

Date: 15 December 2020

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019.

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 2019.

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.

.....
L Mathie
Acting Accounting Officer

Date: 15 December 2020

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also Governors of Battling Brook Primary School and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 and signed on its behalf by:

.....
D Tampin
Chair of Trustees

Date: 15 December 2020

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Battling Brook Primary School (the 'Academy') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance, and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust 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: 24 December 2020

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw our conclusions includes:

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

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 2019 to 31 August 2020 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

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 24 December 2020

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	3	-	3	2
Funding for the Academy's educational operations	4	-	2,770	11	2,781	2,726
Other trading activities	5	62	-	-	62	70
Investments	6	2	-	-	2	2
Total income		64	2,773	11	2,848	2,800
Expenditure on:						
Raising funds	7	27	187	-	214	167
Academy Trust's educational operations	8	-	2,855	79	2,934	2,792
Total expenditure		27	3,042	79	3,148	2,959
Net income/(expenditure)		37	(269)	(68)	(300)	(159)
Transfers between funds	18	-	(39)	39	-	-
Other recognised (losses)/gains:						
Actuarial losses on defined benefit pension schemes	24	-	(127)	-	(127)	(522)
Net movement in funds		37	(435)	(29)	(427)	(681)

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Note					
Reconciliation of funds:					
Total funds brought forward	201	(1,237)	3,160	2,124	2,805
Net movement in funds	37	(435)	(29)	(427)	(681)
Total funds carried forward	<u>238</u>	<u>(1,672)</u>	<u>3,131</u>	<u>1,697</u>	<u>2,124</u>

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

The notes on pages 32 to 62 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	15	3,131	3,148
Current assets			
Debtors	16	42	45
Cash at bank and in hand	22	648	695
Liabilities		690	740
Creditors: amounts falling due within one year	17	(249)	(225)
Net current assets		441	515
Total assets less current liabilities		3,572	3,663
Defined benefit pension scheme liability	24	(1,875)	(1,539)
Total net assets		1,697	2,124
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	3,131	3,160
Restricted income funds	18	203	302
Restricted funds excluding pension asset	18	3,334	3,462
Pension reserve	18	(1,875)	(1,539)
Total restricted funds	18	1,459	1,923
Unrestricted income funds	18	238	201
Total funds		1,697	2,124

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 27 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
D Tampin
Chair of Trustees

.....
L Mathie
Acting Accounting Officer & Acting Headteacher

Date: 15 December 2020

Date: 15 December 2020

The notes on pages 32 to 62 form part of these financial statements.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	2	3
Cash flows from investing activities	21	(49)	8
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(47)	11
Cash and cash equivalents at the beginning of the year		695	684
Cash and cash equivalents at the end of the year	22	648	695
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 to 62 form part of these financial statements

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy Trust 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• **Sponsorship income**

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

• **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 period it is receivable and to the extent the Academy Trust 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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 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 Trust 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.

1.8 Provisions

Provisions are recognised when the Academy Trust 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.

1.9 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.

1.10 Operating leases

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

1.11 Pensions

Retirement benefits to employees of the Academy Trust 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Pensions (continued)

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.

1.12 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.

2. Critical accounting estimates and areas of judgement

Estimates and judgements 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 1.6 for the useful economic lives for each class of assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgement (continued)

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

3. Donations and capital grants

	Restricted funds 2020 £000	Total funds 2020 £000
Donations	3	3
	<hr/> <hr/>	<hr/> <hr/>
	Restricted funds 2019 £000	Total funds 2019 £000
Donations	2	2
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	2,169	2,169
Pupil Premium	108	108
Devolved Formula Capital	11	11
Other DfE/ESFA grants	229	229
	2,517	2,517
Other government grants		
Local Authority grants	77	77
Nursery grants	144	144
	221	221
Other funding		
Parental contributions	38	38
	38	38
Exceptional government funding		
Coronavirus exceptional support	5	5
	5	5
Total 2020	2,781	2,781

The funding received for coronavirus exceptional support covers £5k of additional premises costs. These costs are included in note 8 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations (continued)	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants		
General Annual Grant (GAG)	2,134	2,134
Pupil Premium	123	123
Devolved Formula Capital	34	34
Other DfE/ESFA grants	144	144
	2,435	2,435
Other Government grants		
Local Authority grants	106	106
Nursery Grants	138	138
	244	244
Other funding		
Parental contributions	47	47
	2,726	2,726
Total 2019	2,726	2,726

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

5. Other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Nursery income	6	6
Breakfast club income	11	11
Lettings and facilities income	14	14
Catering income	23	23
Teacher placement income	8	8
	62	62
Total 2020	62	62

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Other trading activities (continued)	Unrestricted funds 2019 £000	Total funds 2019 £000
Nursery income	8	8
Breakfast club income	15	15
Lettings and facilities income	15	15
Catering income	31	31
Teacher placement income	1	1
	<hr/>	<hr/>
Total 2019	70	70
	<hr/> <hr/>	<hr/> <hr/>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	2	2
	<hr/> <hr/>	<hr/> <hr/>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure on raising funds

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Breakfast club expenses	3	-	3
Catering expenditure	23	-	23
Other expenditure	1	-	1
Nursery and Breakfast club staff costs - Gross	-	147	147
Nursery and Breakfast club staff costs - NI	-	9	9
Nursery and Breakfast club staff costs - Pension	-	31	31
Total 2020	<u>27</u>	<u>187</u>	<u>214</u>
	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
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
Total 2019	<u>41</u>	<u>126</u>	<u>167</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational Operations	2,296	638	2,934

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational Operations	2,124	668	2,792

Analysis of direct costs

	Educational Operations 2020 £000	Total funds 2020 £000
Staff costs	2,146	2,146
Depreciation	79	79
Educational supplies	17	17
Staff development	10	10
Other direct costs	36	36
Insurance	8	8
Total 2020	2,296	2,296

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Educational Operations 2019 £000	Total funds 2019 £000
Staff costs	1,924	1,924
Depreciation	82	82
Educational supplies	37	37
Staff development	17	17
Other direct costs	55	55
Insurance	9	9
	<hr/>	<hr/>
Total 2019	2,124	2,124
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs

	Educational Operations 2020 £000	Total funds 2020 £000
Pension finance cost (note 14)	31	31
Staff costs	276	276
Recruitment and support	13	13
Maintenance of premises and equipment	51	51
Cleaning	7	7
Rent and rates	10	10
Energy costs	28	28
Insurance	14	14
Catering	91	91
Professional fees	34	34
Other support costs	48	48
Nursery costs	22	22
Governance costs	13	13
	<hr/>	<hr/>
Total 2020	638	638
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational operations 2019 £000	Total funds 2019 £000
Pension finance cost (note 14)	25	25
Staff costs	307	307
Maintenance of premises and equipment	76	76
Cleaning	6	6
Rent and rates	10	10
Energy costs	28	28
Insurance	16	16
Catering	97	97
Professional fees	26	26
Other support costs	45	45
Loss on disposal of fixed assets	1	1
Nursery costs	16	16
Governance costs	15	15
Total 2019	668	668

9. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on raising voluntary income:				
Direct costs	187	-	27	214
Educational operations:				
Direct costs	2,146	55	95	2,296
Allocated support costs	307	95	236	638
Total 2020	2,640	150	358	3,148

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

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	3	3
Depreciation of tangible fixed assets	79	82
Loss on disposal of fixed assets	-	1
Internal audit costs	1	1
Fees paid to auditors for:		
Auditors remuneration - audit services	12	13
Auditors remuneration - non-audit services	1	1

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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:

	2020	2019
	£000	£000
Wages and salaries	1,855	1,746
Social security costs	143	131
Pension costs	600	469
	<hr/> 2,598	<hr/> 2,346
Agency staff costs	11	11
Pension finance cost (note 14)	31	25
	<hr/> 2,640 <hr/>	<hr/> 2,382 <hr/>

b. Staff numbers

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

	2020	2019
	No.	No.
Teaching	31	29
Administration and support	74	74
Management	3	4
	<hr/> 108 <hr/>	<hr/> 107 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff costs (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the period the pension contributions for these members of staff amounted to £31,976 (2019 - £21,030).

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £262,652 (2019: £240,223).

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:

		2020	2019
		£000	£000
S Marsden, Headteacher and Accounting Officer	Remuneration	70 - 75	60 - 65
	Pension contributions paid	15 - 20	10 - 15
L Mathie, Acting Headteacher and Accounting Officer	Remuneration	60 - 65	60 - 65
	Pension contributions paid	15 - 20	10 - 15
A Radford, Staff Trustee	Remuneration	15 - 20	15 - 20
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £56).

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

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NOTES TO THE FINANCIAL STATEMENTS
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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 2020 was £517 (2019 - £523). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

	2020	2019
	£000	£000
Interest income on pension scheme assets	36	45
Interest on pension scheme liabilities	(67)	(70)
	<u>(31)</u>	<u>(25)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Tangible fixed assets

	Long-term leasehold land and property £000	Furniture and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2019	3,344	177	70	3,591
Additions	53	3	6	62
At 31 August 2020	3,397	180	76	3,653
Depreciation				
At 1 September 2019	293	85	65	443
Charge for the year	55	18	6	79
At 31 August 2020	348	103	71	522
Net book value				
At 31 August 2020	3,049	77	5	3,131
At 31 August 2019	3,051	92	5	3,148

Included in long leasehold property is long leasehold land valued at £1,038,500 (2019 - £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
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16. Debtors

	2020	2019
	£000	£000
VAT recoverable	1	6
Prepayments and accrued income	41	39
	42	45
	42	45

17. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other taxation and social security	34	32
Other creditors	47	37
Accruals and deferred income	168	156
	249	225
	249	225

	2020	2019
	£000	£000
Deferred income		
Deferred income at 1 September 2019	137	128
Resources deferred during the year	137	137
Amounts released from previous periods	(137)	(128)
	137	137
Deferred income at 31 August 2020	137	137

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income, Rates reimbursement, Nursery funding and a SEN Covid-19 top-up funding for the 2020/21 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	201	64	(27)	-	-	238
Restricted general funds						
General Annual Grant (GAG)	298	2,169	(2,228)	(39)	-	200
Pupil premium	4	108	(109)	-	-	3
Other ESFA/DfE grants	-	229	(229)	-	-	-
Local Authority grants	-	221	(221)	-	-	-
Other income	-	41	(41)	-	-	-
Exceptional Government funding	-	5	(5)	-	-	-
Pension reserve	(1,539)	-	(209)	-	(127)	(1,875)
	<u>(1,237)</u>	<u>2,773</u>	<u>(3,042)</u>	<u>(39)</u>	<u>(127)</u>	<u>(1,672)</u>
Restricted fixed asset funds						
Net book value	3,148	-	(79)	62	-	3,131
Devolved Formula Capital	12	11	-	(23)	-	-
	<u>3,160</u>	<u>11</u>	<u>(79)</u>	<u>39</u>	<u>-</u>	<u>3,131</u>
Total Restricted funds	<u>1,923</u>	<u>2,784</u>	<u>(3,121)</u>	<u>-</u>	<u>(127)</u>	<u>1,459</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Total funds	2,124	2,848	(3,148)	-	(127)	1,697

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020. Transfers of £39,000 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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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	170	72	(41)	-	-	201
Restricted funds						
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)
	(568)	2,694	(2,836)	(5)	(522)	(1,237)
Restricted fixed asset funds						
Net book value	3,203	-	(82)	27	-	3,148
Devolved Formula Capital	-	34	-	(22)	-	12
	3,203	34	(82)	5	-	3,160
Total Restricted funds	2,635	2,728	(2,918)	-	(522)	1,923

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Total funds	2,805	2,800	(2,959)	-	(522)	2,124

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	3,131	3,131
Current assets	238	452	-	690
Current liabilities	-	(249)	-	(249)
Pension liability	-	(1,875)	-	(1,875)
Total 2020	238	(1,672)	3,131	1,697

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	3,148	3,148
Current assets	201	527	12	740
Current liabilities	-	(225)	-	(225)
Pension liability	-	(1,539)	-	(1,539)
Total 2019	201	(1,237)	3,160	2,124

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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

	2020	2019
	£000	£000
Net expenditure for the period (as per Statement of Financial Activities)	(300)	(159)
Adjustments for:		
Depreciation (note 15)	79	82
Capital grants from DfE group (note 4)	(11)	(34)
Loss on disposal (note 8)	-	1
Defined benefit pension scheme cost less contributions payable (note 23)	178	140
Defined benefit pension scheme finance cost (note 14)	31	25
Decrease/(increase) in debtors (note 16)	3	(2)
Increase/(decrease) in creditors (note 17)	24	(48)
Interest received (note 6)	(2)	(2)
Net cash provided by operating activities	2	3

21. Cash flows from investing activities

	2020	2019
	£000	£000
Purchase of tangible fixed assets (note 15)	(62)	(28)
Capital grants from DfE Group (note 4)	11	34
Interest received (note 6)	2	2
Net cash (used in)/provided by investing activities	(49)	8

22. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	648	695
Total cash and cash equivalents	648	695

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23. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	695	(47)	648
	<hr/> 695 <hr/>	<hr/> (47) <hr/>	<hr/> 648 <hr/>

24. Pension commitments

The Academy Trust'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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £46,755 were payable to the schemes at 31 August 2020 (2019 - £37,482) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in Academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £248,000 (2019 - £160,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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 2020 was £214,000 (2019 - £212,000), of which employer's contributions totalled £173,000 (2019 - £172,000) and employees' contributions totalled £ 41,000 (2019 - £40,000). The agreed contribution rates for future years are 24.4 per cent for employers and 5.5% - 12.5% per cent for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50.0	50.0

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(109)	(99)
Discount rate -0.1%	109	99
Mortality assumption - 1 year increase	154	134
Mortality assumption - 1 year decrease	(154)	(134)
CPI rate +0.1%	96	81
CPI rate -0.1%	(96)	(81)

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24. Pension commitments (continued)

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

	At 31 August 2020 £000	At 31 August 2019 £000
Equities	1,167	1,045
Corporate bonds	573	559
Property	158	144
Cash and other liquid assets	79	54
Total market value of assets	1,977	1,802

The actual return on scheme assets was (£36,000) (2019: £103,000).

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

	2020 £000	2019 £000
Current service cost	(351)	(268)
Past service cost	-	(44)
Interest income	36	45
Interest cost	(67)	(70)
Total amount recognised in the Statement of Financial Activities	(382)	(337)

The Academy Trust expects to contribute £176,000 to its defined benefit pension scheme in 2021.

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

	2020 £000	2019 £000
At 1 September	3,341	2,354
Current service cost	351	268
Interest cost	67	70
Employee contributions	41	40
Actuarial losses	77	580
Benefits paid	(25)	(15)
Past service costs	-	44
At 31 August	3,852	3,341

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24. Pension commitments (continued)

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

	2020	2019
	£000	£000
At 1 September	1,802	1,502
Interest income	36	45
Actuarial (losses)/gains	(50)	58
Employer contributions	173	172
Employee contributions	41	40
Benefits paid	(25)	(15)
At 31 August	1,977	1,802

25. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Amounts payable:		
Amounts due within one year	-	2

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academies 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 a Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, 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 transaction took place in the financial year;

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

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28. Company limited by guarantee

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