

BATTLING BROOK PRIMARY SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members

D Tampin
P Woolaston
J Welford (resigned 09.07.2021)
L Mathie (Staff Trustee resigned as a member 12.01.2021)
J Cooling (appointed 01.09.2021)

Trustees

A Banbury (appointed 01.09.2021)
S Collins (appointed 01.09.2021)
J Cooling
R Deacon (appointed 01.09.2021)
L Hughes (appointed 05.07.2021)
P Leigh (appointed 01.09.2021)
S Marsden - Head Teacher and Accounting Officer
L Mathie – Deputy Headteacher/Staff Trustee (Acting Head Teacher/Accounting Officer ceased 04.01.2021)
L Parry (resigned 25.02.2021)
K Plaza (appointed 01.09.2021)
M Prettyjohn (appointed 15.12.2020 and resigned 27.09.2021)
A Radford - Staff Trustee
L Ryland (appointed 01.09.2021)
D Tampin - Chair of Trustees
J Welford (resigned 09.07.2021)
N Wileman (resigned 09.07.2021)
P Woolaston

Senior Management Team

S Marsden (Head Teacher)
L Mathie (Deputy Headteacher and Acting Head Teacher)
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)

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 2021

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 601 in the school census on 21 May 2021.

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 Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Battling Brook Primary School Academy Trust.

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 for the academic year September 2020 to August 2021 was £937 (2020 - £517).

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 Trust;
- a maximum of 1 Trustee appointed by the members;
- a maximum of 4 Community Trustees as people who are dedicated to the Academy Trust, live and work in the Community;
- a maximum of 2 Co-opted Trustees who have been approached by current Trustees of the Academy Trust;
- 2 elected Staff Trustees; and
- the Principal as a Trustee ex-officio.

The term of office for a Trustee is four years.

All Trustees are required to undertake personal checks and disclose any relationships/business interests that may have a negative impact upon the integrity of the Academy Trust practices whilst in office. To become a Member, a Trustee would be officially nominated by the Trustees. That Member would then remain in office for the term of their appointment as a Trustee. No employee can act as a Member. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust follow an induction process formulated by Trustees for the induction of newly appointed Trustees. This process is undertaken by the Chair and the Clerk to ensure the role, responsibilities and functions of the newly appointed Trustee are set out with clarity and ensure understanding. The process includes a skills audit to produce a profile of the newly appointed and existing Trustees. This supports the division of Trustees into sub-committees and informs discussions about the qualities and skills of future appointments. All Trustees undertake training with the Governor Development Service based at Leicestershire County Council and they are also able to access online training through a subscribed National Governors Association platform. Trustees are appointed as set out in the Academy's Articles of Association sections 50-59 inclusive.

Organisational Structure

Working closely with the Head Teacher who is also the Accounting Officer for the school, the Board of Trustees aim to set the strategic direction of the school by setting vision and values that are incorporated within the school improvement strategy, priorities and targets. They assist in producing an Annual Report and approve the annual budget. In addition, their role is to hold senior leaders to account for aspects of the Academy Trust performance and ensure legal compliance through robust policies, procedures and assurances.

The Board of Trustees regard 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 Head Teacher. 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 Head Teacher and his Senior Leadership Team to whom responsibilities are delegated. The Senior Leadership Team, which includes the Business Manager, meet regularly to discuss any key issues relating to the 'business'. The Deputy Head Teacher works daily alongside the Head Teacher managing and overseeing all aspects of pupil education and family relationships. The Business Manager acts as Chief Financial Officer and is responsible for overseeing the school finances, short and long term plans, Personnel, Premises and Health & Safety compliance. Phase Leaders meet weekly with the Head Teacher and Deputy Head Teacher to ensure a consistent teaching approach across the school and to self-evaluate, in relation to that teaching & learning, behaviour, welfare, safety and any other general aspects of school life.

Batting Brook during the academic year September 2020 to August 2021 had 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
S Marsden
L Mathie
L Parry

Curriculum Committee

D Tampin - Chair
S Marsden
L Mathie
J Cooling
L Parry
P Woolaston

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Pay & Performance Committee

D Tampin
J Cooling
J Welford
S Marsden

Resources Committee

N Wileman - Chair
S Marsden
L Mathie (Acting Head Teacher)
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 Trust Key Management Personnel are required to disclose any related parties that may influence procurement.

The school's Governors Allowance Policy states the basis on which any remuneration is entitled and settled. In general, Trustees may claim an allowance when specific costs are incurred whilst carrying out their duties.

The arrangements for setting pay is determined by the Board of Trustees Pay & Performance Committee.

All Trustees and senior management team are recognised as Key Management Personnel. The Trust applies to all teachers 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 2020.

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 Academy Trust's 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 Head Teacher. Appraisals and the outcomes for all other teaching staff are managed by the Head Teacher 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.

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 Head Teacher 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

There was no acting trade union official working at Battling Brook Primary School during the year 1 September 2020 to 31 August 2021. Therefore, no trade union facility time occurred or related costs.

Related Parties and other Connected Charities and Organisations

The Academy Trust has an affiliation with the Thomas Estley Learning Alliance ensuring on-going support and the sharing of best practices 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 and operations may be adapted/adjusted as a result. 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
- Beth Clements - Education Effectiveness Partner
- Michael Crane – Performance Management Review – HT
- Business Manager
 - Supporting other schools; and
 - Ensuring value for money/sharing resources
- Forest Way Teaching School Alliance - SENCo Network Meetings

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.

During this academic year Battling Brook raised funds for the following three charities

Red Nose Day – Charity Projects £506

Islastones Foundation £602

NHS Day – Leicester Hospitals Charity £2,119

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is to advance education for pupils between the ages of 3 – 11 across its Primary and Nursery provision, ensuring inclusive learning and the removal of barriers to learning. This object is to be carried out whilst operating the trust as an ongoing concern, ensuring integrity, objectivity, accountability, openness, honesty and leadership.

In undertaking its objects the trust believes all children should be able to participate fully in school life regardless of any difficulties, so that they may experience outstanding opportunities. This means that equality of opportunity must be reality for our children, including those with Special Educational Needs and Disabilities (SEND).

The Trust will introduce broad learning experiences to develop a love of education and culture of today whilst ensuring our pupils' wellbeing.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees set out objectives annually to achieve their vision for the school. Those objectives are

- the curriculum;
- personal development;
- the school culture; and
- the deployment of resources.

The aims are to

- Design and deliver a broad and ambitious curriculum that sets a solid foundation to build on;
- Actively promote personal development, resilience and emotional well-being for everyone at school;
- Ensure our organisational culture enables pupils to learn and flourish without limits; and
- Ensure an effective and sustainable deployment of resources for today and the future.

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 (Head Teacher, Deputy Head teacher and School Business Manager) with phase/year leader and governor support.

The core objectives for the academic year in summary 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

The strategic focus for literacy is accessed through the use of our Battling Brook Curriculum (BBC), which ensures that learning is relevant and interesting for our children. The rich variety of opportunities this enables, brings learning to life ensuring not only the acquisition of key skills, but also aiming to nurture the love of learning itself.

Staff supplement the BBC topics with some elements of the "Cornerstones" curriculum publications. Teachers adapt and alter the published resources in order to ensure that the sessions remain relevant for Battling Brook pupils, therefore significant to those at the heart of the planning.

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

Our numeracy strategy focuses on a clear and systematic approach to the teaching of the key aspects of mathematics. The White Rose scheme is utilised to support long, medium and short term planning. It is not used as a prescriptive scheme, but supports staff to tailor their teaching to the needs of the individual children. There is a particular focus on ensuring foundational concepts are secure before the next stage of progression.

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

There is a systematic approach to teacher CPD observations, monitoring and feedback relating to both the teacher standards and current specific areas for whole school improvement. This approach feeds into staff appraisals furthering a continuous development to ongoing learners.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

A series of reviews throughout the year linked to the availability of funding and future planning by the Head Teacher and Business Manager, enable maximum benefits from funds without jeopardising the long term ongoing concern of the Academy Trust.

Public Benefit

In setting our objectives 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.

The planned activities were set prior to the spread of COVID-19. Therefore, some disruption was inevitable. Necessary adjustments ensured the provision of education was maintained as close as possible to the original planning.

Pupils learnt and flourished by a community art and design project instigated and led by them. This complimented and extended their range of learning, raised funds on behalf of the NHS. It raised a greater awareness for pupils, of both the work of the NHS and the importance of community spirit and wellbeing.

The school offered additional counselling opportunities to support pupils and parents and designated space on the school website specifically to mental health and wellbeing. This enabled easy access to additional advice and support.

To maximise opportunities for home school learning school funding was focused on the purchase of laptops, which were then allocated to pupils.

To ensure that the wider learning continued, school maintained its offer of residential trips to those pupils in year groups that were originally planned prior to COVID-19 upholding the opportunity of extended learning.

The school's aims to improve teaching and learning was extended to the nursery provision. By blending the school's FS1 & FS2 leaders, this reinforced best practice across the Early Years provision.

Some opportunities went ahead for those pupils who were able to attend school. Pupils were able to benefit from fitness workouts and the nurture group aided well-being. Parents too remained able to access the early Breakfast Club provision enabling their work schedules. Online wellness and wellbeing resources were available that children and families engaged in.

STRATEGIC REPORT

Achievements and Performance

When children were in attendance following the national lockdowns effective quality first teaching and intervention/booster groups enabled children to recover more rapidly particularly in the areas of reading, writing and maths which became our primary focus. In school teacher assessments were still carried out during Summer 2020. Whilst children inevitably achieved less than our pre-COVID-19 predictions, our recovery strategy had a positive impact in bridging the gap.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Far more varied circumstances during COVID-19 brought additional never before considered challenges. This meant online teaching and learning resources were essential, taking into consideration the school's aim to ensure no limits restricted a pupil's learning within the restrictions of the school budget. The procurement of electronic devices and online learning platforms supported the aim for the school to be well resourced and it broadened the range of curriculum tools enabling those pupils who would not have been otherwise able to access. The introduction of online parents evenings benefited school and the community, by reducing administration to focus on teaching and learning and access engagement with parents during COVID-19 lockdown.

Key Performance Indicators

Financial performance indicators for the trust were

- operating a financial year within a balanced budget;
- maintaining sufficient reserves;
- growth/savings;
- balance carry forward; and
- pupils on roll numbers.

The everyday operational finances of the school were conducted within a balanced budget and due to financial monitoring a minimal underspend was achieved. This financial outcome met the trusts long term financial planning target. The underspend will be used as a carry forward to best support the needs of the school during the 2021/22 academic year. The school was successful at maintaining its levels of reserves which are judged to be reasonable considering its standalone status and nursery provision, against the financial risk. In line with financial reviews, funds during 20/21 were redirected to the procurement of IT projects. Therefore, the school invested in digital online platforms and electronic devices that boosted the provision in school, for use in future years.

During 2020/21 pupil retention remained high with 98.35% of all pupil places taken across the school. Staffing levels remained extremely stable with an annual turnover of less than 1% staff as opposed to 4% in the previous year. This lower than usual turnover is thought to be a reflection of the national employment situation during the economic difficulties facing employers due to COVID-19.

Going Concern

Trustees are confident that forecasts of long term budget planning, contingency and risk assessments predict 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. During this year the Academy Trust once again saw a continuation of lower levels of income for the Breakfast Club at less than 50% seen in 2018/2019, in main this was due to a further national lockdown period. In response the Academy Trust has chosen to create a new Trustee committee in 2021/22 to monitor income streams. The Academy Trust continues to adopt the positive going concern basis in preparing the Financial Statements and budget planning. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL

During 2020/21 no significant events on the financial performance and position of the trust were incurred as increased spending COVID-19 related, was taken into account at the setting of the 20/21 budget. The greatest levels of expenditure were staffing costs which remained very constant throughout the year. Procurement was highest in IT and again, was within the planned budget. Therefore, the trust remained minimally within a balanced budget during 20/21.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Reducing pupil numbers remains the greatest principal income financial risk factor, to a potential reduction of funding. This coupled with an increasing number of pupils that require additional 1:1 support, puts pressure upon the deployment of current staffing and the additional recruitment of support staff costs. During SLT and Trustee meetings, the current/ forecast pupil numbers and support staff deployment across the whole school is being monitored against budget limits and the needs of all pupils.

Battling Brook Primary School ended the year showing a minimal increase to its budget balances. The support staff Local Government Pension Scheme closing position as at 31 August 2021 was at a deficit of £2,629,000. This was after an in year adjustment of £223,000 and actuarial losses of £531,000.

A carry forward of £906,000 will be shown in the next Academic Year 2021 planning 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) based on pupil numbers on roll. 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 development the premises where funds allow and ensure the continuing viability of Battling Brook Primary School through active monitoring of funds.

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 £266,000 in respect of unrestricted funds, which incorporate the Nursery provision, and restricted funds of £195,000, of which £Nil has been ring fenced 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 in excess of 6 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 2021. In the statements that follow this would be a net surplus of £461,000.

No funds were reserved for future projects.

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.

At 31 August 2021 the total funds comprised:		£
Unrestricted		£266,000
Restricted	Fixed asset funds	£3,074,000
	Pension reserve	(£2,629,000)
	Other	£195,000
		<hr/>
		£906,000
		<hr/>

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Investment Policy

During the financial year Battling Brook Primary School's accumulated funds were invested within respected institutions approved in line with Battling Brook Primary School's Investment Policy.

The objective of the Academy Trust is to ensure that sufficient funds are available at short or no notice to meet unforeseeable requirements, while earning an acceptable rate of return without undue risk with optimal returns. This is achieved by having a number of accounts with variable interest rates. The main current account covers all day-to-day working capital requirements.

The Trustees will review any capital investment taking into account current planning legislation, social, environmental and ethical considerations that may impact upon the local community.

For all purchases estimated above £10,000 three tenders are required. Purchases above £50,000 are required to go to formal tender unless the Trustees deem not to do so.

Trustees as the Resources sub-committee inc. finance, will determine the amount of surplus cash to invest in any one transaction and recommend to the Full Board of Trustees to ratify.

The objectives of investing cash surpluses are:-

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

Principal Risks and Uncertainties

Trustees annually review principal risks and uncertainties for the Academy Trust recorded as a Risk Register. These risks and any evolving risks that may be local, national and global are included and the register is updated with adequate control measures. This process minimises the impact to the Academy Trust.

The principal risks facing the Academy Trust were:-

- Recruitment following an unfavourable Ofsted report;
- Security threats to IT systems and corruption of data;
- Loss of funding due to reducing pupils on roll
- 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. COVID-19, fire, flood etc;
- 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 Trust to attract damaging publicity.

Control measures in place are:

Transfer:	For some risks the best response may be to transfer them e.g. purchase of insurance
Tolerate:	The exposure may be tolerable without any further action being taken e.g. risk of funding approach changes. This option is supplemented by a five year contingency plan.
Treat:	The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level e.g. purchase of a payroll provider to ensure pension contributions are correct.

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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 and continued into 2020/21. Actions that arise are reported back at follow up meetings.

Credit Arrangements

The Academy Trust 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.

FUNDRAISING

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

As reported earlier Battling Brook Primary School conducted internal fundraising for the following charities during 2020/21:

- Red Nose Day – Charity Projects £506
- Islstones Foundation £602
- NHS Day – Leicester Hospitals Charity £2,119

There were no complaints regarding the conduct of fundraising practices by the school and all monies collected were given in a voluntary capacity.

PLANS FOR FUTURE PERIODS

The key objectives for the future are:

- Continued improvement on the school's learning culture, and its impact on pupil attainment and progress;
- 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 Trust to continue to explore new initiatives and avenues for consistent, engaging 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 focused on broadening the learning curriculum and indoor provision. The Academy Trust will continue to collaborate with neighbouring schools and share resources for the best practice of the community. However, the key objective is to continue to improve pupil outcomes.

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FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 2022.

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: 14/12/2021

BATTLING BROOK PRIMARY SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF RESPONSIBILITY

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

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

Guidance and training to support Trustees understanding and compliance is ensured with the school's buyback to a Secretarial Service, the Leicestershire Local Authority Governor Development Service, the National Governance Association and relevant training sessions for Trustees and clerking.

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Battling Brook Primary School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. The Full Governing Body met virtually five times during the academic year due to Covid19 restrictions. In addition, feedback and recommendations from the Chair of Governor from fortnightly Head Teacher virtual meetings, virtual committee meetings held by the Resource's, Personal Development/Behaviour and Attitudes, Curriculum and Pay and Performance throughout the year ensured up to date feedback enabling the Full Governing Body to exercise and fulfil its governance duties.

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

Trustee	Meetings attended	Out of a possible
D Tampin – Chair of Trustees	5	5
P Woolaston – Vice chair of Trustees	5	5
J Cooling	4	5
S Marsden – Head Teacher and Accounting Officer	0	0
L Mathie – Deputy Headteacher/Staff Trustee	5	5
M Prettyjohn (appointed 15.12.2020)	1	2
A Radford – Staff Trustee	3	5
J Welford (resigned 09.07.2021)	5	5
N Wileman (resigned 09.07.2021)	4	5
L Parry (resigned 09.07.2021)	2	4

The composition of the board has remained unchanged as detailed in the schools Articles of Association. Mrs D Tampin was elected as the new Chair of Trustees commencing September 2020. During the year a drive to increase Trustee numbers was successfully undertaken with the appointment of two Trustees. As further vacancies were expected another drive was undertaken and six new Trustees were appointed commencing September 2021. By filling all long and short term vacancies upon the board it reduces the workload to each Trustee.

A Trustees' role is to ensure clarity of vision, ethos and strategic direction of the Academy Trust. They also hold executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff. Each Trustee is assessed of their own effectiveness by the application of a skills audit and any training is undertaken to remove any particular barriers to ensure compliance with any changes in legislation.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE (continued)

The greatest challenge that arose during the year was ongoing COVID-19 challenges regarding lockdown and the re-opening of the school site. During the lockdown period Trustees had to ensure that the school was maximising the provision of pupils learning and wellbeing opportunities. On re-opening, ensure that the school was safe taking into consideration multiple elements of Health and Safety and wellbeing for all stakeholders. These challenges were supported by monthly finance reports ensuring that the financial position of the school was clear, up to date and understood.

The Resources Committee is a sub-committee of the main Board of Trustees and includes finance & audit responsibilities. Its purpose is to:

RESOURCES

- act on matters delegated by the Full Governing body;
- liaise and consult with other committees where necessary;
- contribute to the school's Priority Improvement Plan;
- ensure compliance with all statutory requirements of the Academy Trust Handbook;
- monitor and evaluate the management of premises, staffing and finances of the school as outlined in the Strategic Plan;

FINANCE & AUDIT

- review, adopt and monitor a Finance Policy which includes the local scheme of delegation for spending and budgetary adjustments for the committee, Head Teacher and other nominated staff;
- monitor the income and expenditure of all delegated and devolved funds against the annual budget plan;
- establish and maintain a three-year financial plan, taking into account the priorities of the Academy Improvement Plan, rolling projection and signals from central government and (if applicable) the LA regarding future years' budgets, within the constraints of available information;
- draft and propose to the governing body for adoption an annual school budget taking into account the priorities of the School Improvement Plan;
- make decisions in respect of service level agreements;
- receive at least termly budget monitoring reports from the Business Manager;
- approve any budgetary adjustments that will from time to time be necessary in response to the evolving requirements of the school (including repairs and maintenance);
- prepare the Trustees' Report to form part of the Statutory Accounts of the governing body and for filing accordance with Companies Act requirements;
- ensure that an ongoing risk assessment of the finances is carried out, to make regular assessment of any risk factors, and to monitor and evaluate outcomes;
- receive auditors' reports and to recommend the governing body action as appropriate in response to audit findings;
- recommend to the full governing body the appointment or reappointment of the auditors; and
- review and agree the scope of internal scrutiny work annually.

It was necessary to cancel the Spring Term Resources Committee meeting in February due to the National lockdown.

The Internal audit showed two recommendations, both were actioned internally by staff and resolved on the day of the audit. These were reported to the committee as actioned.

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the Academy Trust'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;
 - delivery & installation of outdoor sinks for all years;
 - whole school in house training for all staff on IT and Safeguarding; 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 Academy Trust for the period 1 September 2020 to 31 August 2021 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 period 1 September 2020 to 31 August 2021 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; and
- identification and management of risks.

The Board of Trustees has decided:

- to buy-in an internal audit service from Leicestershire County Council (LCC).

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

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;
- testing of control account/bank reconciliations;
- testing of website; and
- testing of reporting procedures in line with the AFH.

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 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 May 2021 by Leicestershire County Council Audit Team. Two risks were identified. A recommendation to include the word 'finance' in relation to the Risk Assessments within the ToR of the Resources Committee and to ensure all Trustees received copies of the cash flow report during the year. These recommendations were actioned on the day of the audit, reported to the Trustees Board and no impact upon the Academy Trust 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.

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

.....
D Tampin
Chair of Trustees

Date: 14 December 2021

.....
S Marsden
Accounting Officer

Date: 14 December 2021

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020.

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 2020.

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

S Marsden
Accounting Officer

Date: 14 December 2021

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 . 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 2020 to 2021;
- 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: 14 December 2021

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 Trust') for the year ended 31 August 2021 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 2020 to 2021 issued by the Education and 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 2021 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 2020 to 2021 issued by the Education and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 other information comprises the information included in the Trustees Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 including the Strategic Report.

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the Academy Trust financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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)**

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 Trust'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

Leicester

Date: 14 December 2021

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 AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 Trust's income and expenditure.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
MHA Macintyre Hudson
Chartered Accountants
Statutory Auditors

Date: 14 December 2021

BATTLING BROOK PRIMARY SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Income from:						
Donations and capital grants	3	-	4	21	25	3
Funding for the Academy's educational operations	4	-	2,948	-	2,948	2,781
Other trading activities	5	61	-	-	61	62
Investments	6	-	-	-	-	2
Total income		61	2,952	21	3,034	2,848
Expenditure on:						
Raising funds	7	33	140	-	173	214
Academy Trust's educational operations	8	-	3,041	80	3,121	2,934
Total expenditure	9	33	3,181	80	3,294	3,148
Net income/(expenditure)		28	(229)	(59)	(260)	(300)
Transfers between funds	18	-	(2)	2	-	-
Other recognised (losses)/gains:						
Actuarial losses on defined benefit pension schemes	24	-	(531)	-	(531)	(127)
Net movement in funds		28	(762)	(57)	(791)	(427)
Reconciliation of funds:						
Total funds brought forward		238	(1,672)	3,131	1,697	2,124
Net movement in funds		28	(762)	(57)	(791)	(427)
Total funds carried forward		266	(2,434)	3,074	906	1,697

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

The notes on pages 29 to 58 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	15	3,074	3,131
Current assets			
Debtors	16	40	42
Cash at bank and in hand	22	602	648
		<u>642</u>	<u>690</u>
Creditors: amounts falling due within one year	17	(181)	(249)
Net current assets		<u>461</u>	<u>441</u>
Total assets less current liabilities		<u>3,535</u>	<u>3,572</u>
Defined benefit pension scheme liability	24	(2,629)	(1,875)
Total net assets		<u><u>906</u></u>	<u><u>1,697</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	3,074	3,131
Restricted income funds	18	195	203
		<u>3,269</u>	<u>3,334</u>
Restricted funds excluding pension asset	18	3,269	3,334
Pension reserve	18	(2,629)	(1,875)
Total restricted funds	18	<u>640</u>	<u>1,459</u>
Unrestricted income funds	18	266	238
Total funds		<u><u>906</u></u>	<u><u>1,697</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

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

The financial statements on pages 25 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
D Tampin
Chair of Trustees
Date: 14 December 2021

.....
S Marsden
Accounting Officer & Headteacher

The notes on pages 29 to 58 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 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(34)	2
Cash flows from investing activities	21	(12)	(49)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(46)	(47)
Cash and cash equivalents at the beginning of the year		648	695
Cash and cash equivalents at the end of the year	22, 23	<hr/> 602 <hr/>	<hr/> 648 <hr/>

The notes on pages 29 to 58 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 2021

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 2020 to 2021 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 page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional 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 2021

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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year 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 year 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust 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 Trust 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. Where tangible fixed assets have been acquired with unrestricted funds, transfers are made to the restricted fixed asset fund.

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

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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1. Accounting policies (continued)

1.7 Cash at bank and in hand

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

1.8 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.

1.9 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.

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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.

1.11 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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

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

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

1.13 Fund accounting

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations	4	10	14
DfE/ESFA Capital Grants	-	11	11
Total 2021	4	21	25

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Donations and capital grants (continued)

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	3	-	3

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants		
General Annual Grant (GAG)	2,273	2,273
Other DfE/ESFA grants;		
Pupil Premium	109	109
UFSM	91	91
Teachers' Pay and Pension grant	108	108
Other DfE/ESFA grants	34	34
	2,615	2,615
Other Government grants		
Local Authority grants	109	109
Nursery grants	143	143
	252	252
Other income from the Academy Trust's educational operations	32	32
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	48	48
Other DfE/ESFA COVID-19 funding	1	1
	49	49
Total 2021	2,948	2,948

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations (continued)

	As restated restricted funds 2020 *	As restated total funds 2020 *
	£000	£000
DfE/ESFA grants		
General Annual Grant (GAG)	2,169	2,169
Other DfE/ESFA grants;		
Pupil Premium	108	108
UFSM	89	89
Teachers' Pay and Pension grant	109	109
Other DfE/ESFA grants	42	42
	<u>2,517</u>	<u>2,517</u>
Other Government grants		
Local Authority grants	77	77
Nursery grants	144	144
	<u>221</u>	<u>221</u>
Other income from the Academy Trust's educational operations	38	38
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	5	5
	<u>5</u>	<u>5</u>
Total 2020	<u><u>2,781</u></u>	<u><u>2,781</u></u>

Following the reclassification in the Academies Accounts Direction 2020/2021 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Pupil Premium, Universal Infant Free School Meals, and Teachers' Pay and Pension grant are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £48,000 of funding for Catch-up Premium and costs incurred in respect of this funding totalled £41,000, with the remaining £7,000 to be spent in the 2021/2022 Academic year.

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

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NOTES TO THE FINANCIAL STATEMENTS
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5. Other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Nursery income	8	8
Breakfast club income	9	9
Lettings and facilities income	15	15
Catering income	28	28
Teacher placement income	1	1
	<hr/>	<hr/>
Total 2021	61	61
	<hr/> <hr/>	<hr/> <hr/>

	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
	<hr/>	<hr/>
Total 2020	62	62
	<hr/> <hr/>	<hr/> <hr/>

BATTLING BROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Investment income

		Total funds 2021 £000
Investment income		-
		<hr/> <hr/>
	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	2	2
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure on raising funds

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Breakfast club expenses	1	-	1
Catering expenditure	28	-	28
Other expenditure	4	-	4
Nursery and Breakfast club staff costs - Gross	-	108	108
Nursery and Breakfast club staff costs - NI	-	8	8
Nursery and Breakfast club staff costs - Pension	-	24	24
Total 2021	33	140	173

	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	27	187	214

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational Operations	2,463	658	3,121

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

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	2,277	2,146
Depreciation	80	79
Educational supplies	30	17
Staff development	8	10
Other direct costs	52	36
Insurance	16	8
Total 2021	2,463	2,296

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

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs (note 14)	34	31
Staff costs	335	276
Recruitment and support	-	13
Maintenance of premises and equipment	46	51
Cleaning	9	7
Rents and rates	9	10
Energy costs	28	28
Insurance	12	14
Catering	93	91
Professional fees	46	34
Other support costs	20	48
Nursery costs	23	22
Governance costs	3	13
Total 2021	658	638

9. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on raising voluntary income:				
Direct costs	140	-	33	173
Educational operations:				
Direct costs	2,277	55	131	2,463
Allocated support costs	369	92	197	658
Total 2021	2,786	147	361	3,294

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Expenditure (continued)

	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	<u>2,640</u>	<u>150</u>	<u>358</u>	<u>3,148</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	5	3
Depreciation of tangible fixed assets	80	79
Internal audit costs	1	1
Fees paid to auditors for:		
Auditors remuneration - audit services	13	12
Audit remuneration - non-audit services	<u>2</u>	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	1,956	1,855
Social security costs	154	143
Pension costs	639	600
	<hr/> 2,749	<hr/> 2,598
Agency staff costs	3	11
Pension finance cost (note 14)	34	31
	<hr/> 2,786 <hr/>	<hr/> 2,640 <hr/>

b. Staff numbers

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

	2021	2020
	No.	No.
Teaching	30	31
Administration and support	77	74
Management	3	3
	<hr/> 110 <hr/>	<hr/> 108 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year the pension contributions for these members of staff amounted to £34,189 (2020 - £31,976).

d. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £280,425 (2020 £262,652).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. 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:

		2021 £000	2020 £000
S Marsden, Headteacher and Accounting Officer	Remuneration	75 - 80	70 - 75
	Pension contributions paid	15 - 20	15 - 20
L Mathie, Deputy Headteacher and Staff Trustee	Remuneration	65 - 70	60 - 65
	Pension contributions paid	15 - 20	15 - 20
A Radford, Staff Trustee	Remuneration	15 - 20	15 - 20
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 2021 was £937 (2020 - £517). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Pension finance cost

	2021	2020
	£000	£000
Interest income on pension scheme assets	35	36
Interest on pension scheme liabilities	(69)	(67)
	<u>(34)</u>	<u>(31)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets

	Long-term leasehold land and property £000	Furniture and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2020	3,397	180	76	3,653
Additions	-	-	23	23
Disposals	-	-	(17)	(17)
At 31 August 2021	<u>3,397</u>	<u>180</u>	<u>82</u>	<u>3,659</u>
Depreciation				
At 1 September 2020	348	103	71	522
Charge for the year	55	18	7	80
On disposals	-	-	(17)	(17)
At 31 August 2021	<u>403</u>	<u>121</u>	<u>61</u>	<u>585</u>
Net book value				
At 31 August 2021	<u>2,994</u>	<u>59</u>	<u>21</u>	<u>3,074</u>
At 31 August 2020	<u>3,049</u>	<u>77</u>	<u>5</u>	<u>3,131</u>

Included in long leasehold property is long leasehold land valued at £1,038,500 (2020 - £1,038,500) on conversion in 2013 by Graham Tyerman MRICS, using the depreciated replacement cost method.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Debtors

	2021	2020
	£000	£000
VAT recoverable	5	1
Prepayments and accrued income	35	41
	<u>40</u>	<u>42</u>

17. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Other taxation and social security	33	34
Other creditors	50	47
Accruals and deferred income	98	168
	<u>181</u>	<u>249</u>

	2021	2020
	£000	£000
Deferred income		
Deferred income at 1 September 2020	137	137
Resources deferred during the year	78	137
Amounts released from previous periods	(137)	(137)
Deferred income at 31 August 2020	<u>78</u>	<u>137</u>

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 2021/22 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	238	61	(33)	-	-	266
Restricted general funds						
General Annual Grant (GAG)	200	2,273	(2,283)	(2)	-	188
Pupil premium	3	109	(112)	-	-	-
Other ESFA/DfE grants	-	34	(34)	-	-	-
Local Authority grants	-	109	(109)	-	-	-
Other income	-	32	(32)	-	-	-
Teachers' Pay and Pension Grant	-	108	(108)	-	-	-
UIFSM	-	91	(91)	-	-	-
Catch-up Premium	-	48	(41)	-	-	7
Other DfE/ESFA COVID-19 funding	-	1	(1)	-	-	-
Donations	-	4	(4)	-	-	-
Nursery grants	-	143	(143)	-	-	-
Pension reserve	(1,875)	-	(223)	-	(531)	(2,629)
	<u>(1,672)</u>	<u>2,952</u>	<u>(3,181)</u>	<u>(2)</u>	<u>(531)</u>	<u>(2,434)</u>
Restricted fixed asset funds						
Net book value	3,131	-	(80)	23	-	3,074
Devolved Formula Capital	-	11	-	(11)	-	-
Donations	-	10	-	(10)	-	-
	<u>3,131</u>	<u>21</u>	<u>(80)</u>	<u>2</u>	<u>-</u>	<u>3,074</u>
Total Restricted funds	<u>1,459</u>	<u>2,973</u>	<u>(3,261)</u>	<u>-</u>	<u>(531)</u>	<u>640</u>
Total funds	<u><u>1,697</u></u>	<u><u>3,034</u></u>	<u><u>(3,294)</u></u>	<u><u>-</u></u>	<u><u>(531)</u></u>	<u><u>906</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021. Transfers of £2,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards computer equipment.

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 but given the nature of the liability this is not payable immediately. Plans are in place to address this deficit.

Restricted fixed asset funds

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

Devolved Formula Capital

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

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18. Statement of funds (continued)

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

	Balance at 1 September 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 funds						
General Annual Grant (GAG)	298	2,169	(2,228)	(39)	-	200
Pupil premium	4	108	(109)	-	-	3
Other ESFA/DfE grants	-	31	(31)	-	-	-
Local Authority grants	-	77	(77)	-	-	-
Other income	-	38	(38)	-	-	-
Exceptional Government funding	-	5	(5)	-	-	-
Teachers' Pay and Pension Grant	-	109	(109)	-	-	-
UIFSM	-	89	(89)	-	-	-
Donations	-	3	(3)	-	-	-
Nursery grants	-	144	(144)	-	-	-
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>
Total funds	<u><u>2,124</u></u>	<u><u>2,848</u></u>	<u><u>(3,148)</u></u>	<u><u>-</u></u>	<u><u>(127)</u></u>	<u><u>1,697</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	3,074	3,074
Current assets	266	376	-	642
Current liabilities	-	(181)	-	(181)
Pension scheme liability	-	(2,629)	-	(2,629)
Total 2021	266	(2,434)	3,074	906

Analysis of net assets between funds - prior year

	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

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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

	2021	2020
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(260)	(300)
Adjustments for:		
Depreciation (note 15)	80	79
Capital grants from DfE group (note 4)	(11)	(11)
Defined benefit pension scheme cost less contributions payable (note 24)	190	178
Defined benefit pension scheme finance cost (note 14)	34	31
Decrease/(increase) in debtors (note 16)	2	3
Increase/(decrease) in creditors (note 17)	(69)	24
Interest received (note 6)	-	(2)
Net cash (used in)/provided by operating activities	(34)	2

21. Cash flows from investing activities

	2021	2020
	£000	£000
Purchase of tangible fixed assets (note 15)	(23)	(62)
Capital grants from DfE Group (note 4)	11	11
Interest received (note 6)	-	2
Net cash used in investing activities	(12)	(49)

22. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	602	648
Total cash and cash equivalents	602	648

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	648	(46)	602
	<u>648</u>	<u>(46)</u>	<u>602</u>

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 2019.

Contributions amounting to £49,587 were payable to the schemes at 31 August 2021 (2020 - £46,755) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in Academy's Trust. 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; and
- 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 £262,000 (2020 - £248,000).

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 2021 was £236,000 (2020 - £214,000), of which employer's contributions totalled £190,000 (2020 - £173,000) and employees' contributions totalled £ 46,000 (2020 - £41,000). The agreed contribution rates for future years are 24.1% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy 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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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.4	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums (Pre-April 2008)	50.0	50.0
Commutation of pensions to lump sums (Post-April 2008)	75.0	75.0

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

	2021	2020
	Years	Years
Retiring today		
Males	21.7	21.5
Females	24.2	23.8
Retiring in 20 years		
Males	22.6	22.2
Females	25.9	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(142)	(109)
Discount rate -0.1%	142	109
Mortality assumption - 1 year increase	211	154
Mortality assumption - 1 year decrease	(211)	(154)
CPI rate +0.1%	127	96
CPI rate -0.1%	(127)	(96)

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24. Pension commitments (continued)

Share of scheme assets

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

	2021	2020
	£000	£000
Equities	1,536	1,167
Corporate bonds	768	573
Property	186	158
Cash and other liquid assets	159	79
Total market value of assets	2,649	1,977

The actual return on scheme assets was £457,000 (2020 - £(36,000)).

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

	2021	2020
	£000	£000
Current service cost	(379)	(351)
Interest income	35	36
Interest cost	(69)	(67)
Total amount recognised in the Statement of Financial Activities	(413)	(382)

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

	2021	2020
	£000	£000
At 1 September	3,852	3,341
Current service cost	379	351
Interest cost	69	67
Employee contributions	46	41
Actuarial losses	953	77
Benefits paid	(21)	(25)
At 31 August	5,278	3,852

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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:

	2021	2020
	£000	£000
At 1 September	1,977	1,802
Interest income	35	36
Actuarial gains/(losses)	422	(50)
Employer contributions	190	173
Employee contributions	46	41
Benefits paid	(21)	(25)
At 31 August	2,649	1,977

25. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Amounts payable:		
Amounts due within one year	4	-
Amounts due between one and five years	7	-
	11	-

26. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Company limited by guarantee

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

28. 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.