

Company Registration No. 07756219 (England and Wales)

BELTHORN ACADEMY PRIMARY SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019



BELTHORN ACADEMY PRIMARY SCHOOL

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BELTHORN ACADEMY PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Lowe J Slack Y Brown
Governors	L Billingham Y Brown (Chair of Governors) S Lowe N Hodgkinson (Resigned 8 November 2018) J Slack (Vice Chair) S Akram (Resigned 8 July 2019) L Taylor M Egan (Staff Governor) (Resigned 19 October 2018) R Battersby-Cornmell M Ali H Rowan (Accounting Officer) C Banks M Griffiths Mr E Nolan (Appointed 4 July 2019) Mr N Griffiths (Staff Governor) (Appointed 19 October 2018)
Senior management team	
- Headteacher	H Rowan
- School Business Manager	H Saint
- Deputy Head Teacher	M Egan
- Assessment Co-ordinator	M Egan
Company secretary	H Saint
Company name	Belthorn Academy Primary School
Company registration number	07756219 (England and Wales)
Principal and registered office	Belthorn Road Belthorn Blackburn BB1 2NY
Independent auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their annual report together with the financial statements and auditor's report of the academy for the period 1 September 2018 to 31 August 2019.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4-11 serving a catchment area in the Village of Belthorn and the outlying areas of Guide and Lower Darwen. It has a pupil capacity of 207 and had a roll of 189 on 1 July 2018. Little Bells Pre-School (age 3 onwards), opened on 9 May 2016 (Deed of Variation dated 29th April, 2016 Sealed by Secretary of State). The accounts for this unit are amalgamated within the results of the academy for the purpose of this report. 26 children attended Little Bells pre-school during the accounting period.

Structure, governance and management

Constitution

Belthorn Primary School converted to Belthorn Academy Primary School ("the academy") on 1 October 2011 and commenced its activities on transfer from the Local Authority on that date. The academy 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.

The governors are the trustees of Belthorn Academy Primary School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the reference and administrative details on page 1. The charitable company is known as Belthorn Academy Primary School.

Members' liability

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

Governors' indemnities

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of governors

The governors are appointed by the following:

Parent governors:	Elected by parents of the students of the academy
Staff governors:	Elected by staff of the academy
Other governors:	Elected by existing governors of the academy

Policies and procedures adopted for the induction and training of governors

All governors are provided with a copy of the 'Duties and responsibilities of academy governors' on appointment. Induction training is provided by Browne Jacobson LLP and on-going training is provided through Lancashire County Council.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The academy is governed by its Governing Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the academy consists of 3 levels: the Governing Body, the Headteacher and the Senior Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school development plan and budget, monitoring the school's performance, making major policy decisions, appointing senior staff, election of link governors and reporting to both the Government and Companies House. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

- Teaching & Learning Sub-Committee
- Finance and Audit Sub-Committee
- Health & Safety Sub-Committee
- Pay and Staffing Committee (meetings held as required to determine pay in-line with schools' pay policy (adopted from LCC))

The Headteacher is also the Accounting Officer and has responsibility for:

- Ensuring regularity and propriety
- Efficient and effective use of resources - avoiding waste and extravagance
- Prudent and economical administration
- Day to day organisation, management and staffing pertaining to the academy

The Senior Leadership Team comprises:

- Mrs H Rowan - Headteacher
- Mrs H Saint - School Business Manager
- Miss M Egan - Deputy Headteacher
- Miss J Gervis - Assessment Leader (leaver 31 August 2019)

Arrangements for setting pay and remuneration of key management personnel

The remuneration and employment terms and conditions of the management team (Headteacher and SLT members) are in accordance with Lancashire County Councils guidance / Burgundy and Green Book and are reviewed annually at appraisal meetings.

Related parties and other connected charities and organisations

Governors, along with any entities controlled by the governors, are considered to be related parties of the academy. Any related party transactions with these people/organisations are disclosed in the notes to the accounts.

Objectives and activities

Objects and aims

The main objects of the academy as set out in its governing document are:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum.
- To promote for the benefit of individuals living in Belthorn and the surrounding area who have by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The academy aims to maintain, carry on and develop the academy at Belthorn Road, Belthorn, Blackburn, Lancashire BB1 2NY.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

School improvement work during the 2018/19 academic year focused on developing the role of the middle leaders throughout school. Curriculum focus was on the development of teaching computing, history and widening vocabulary within every subject area. Building on from Growth Mindset in 2017/18 we looked at supporting wellbeing and resilience in school through our PSHE lessons. In addition, we still had a key focus on developing reading stamina and comprehension as well as encouraging reluctant writers and developing problem solving and reasoning skills in maths. Providing quality first teaching as well as quality interventions was considered to be of high importance in the mission to improve standards across the school.

The teaching structure for 2018/19 enabled Miss Egan to step down from being class based; instead she played a lead role in developing computing across all year groups – liaising with an appointed consultant as well as teaching computing across the whole school and providing valuable CPD to all staff in the form of team teaching and training. A new scheme of work was devised based on our curriculum and very personal to the school and the children within it. Digital leader club was established and upskilling children meant that we now have a groups of KS2 children able to help out. The highlight of the computing year was winning 2nd place in a National competition and the winning team going to London to collect their prize.

Another strategy to raise standards was for Miss Egan to teach a group of Y6 children in 'the Hive' – providing QFT and intervention so that this group of children made accelerated progress and were able to meet the requirements of the end of Y6 SATs tests.

Middle leaders are now growing in experience and confidence when monitoring standards across school. Ongoing support is taking place where SL's advise and coach other members of staff. Miss Trafford and Mr Furness successfully applied to be SPE (specialist practitioner of education) and Miss Egan successfully gained accreditation as a SLE (specialist leader of education). This means the school has capacity to provide school to school support as well as internal support.

Our focus on History developed teaching in this area, as well as raising the profile. SL's attended training and provided feedback to the rest of the staff. A History Fair was held to which parents were invited. The children all produced artefacts for the fair, which were sold and money used to buy history resources and books. Parental engagement at this event was good.

Wellbeing focused on training staff in developing wellbeing activities within their classes, as well as looking at resilience. Termly resilience and team building activities took place which were very well received by both children and staff. Parent sessions were also held where children and adults took part in yoga and sensory activities, breathing techniques etc., aimed to support wellbeing. Wellbeing of staff involved wellbeing breakfast, quiz nights and PPA at home.

Our monitoring procedure continuous to be rigorous, with expectations growing term by term on our journey to become outstanding. Mr Furness embarked upon a project to engage reluctant writers and as part of this undertook lesson studies across the school. Feedback was given to the FGB meeting in the Summer term. We aim to continue with this approach and apply it to other year groups and subjects.

Public benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the year.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

For the 2018/19 academic year analysis of performance data shows that:

At the end of Key Stage 2:

- 83% of pupils achieved at least the expected standard in reading. (13% achieving above the standard)
- 83% of pupils achieved at least the expected standard in writing. (20% achieving above the standard)
- 90% of pupils achieved at least the expected standard in mathematics. (23% achieving above the standard)
- 87% of pupils achieved at least the expected standard in GPS. (37%)
- The combined overall score for pupils in Year 6 was 77% of pupils achieving at least the expected standard. This is above the results for Lancashire and National.

At the end of Key Stage 1:

- 68% of pupils achieved at least the expected standard in reading (with 21% working at greater depth).
- 71% of pupils achieved at least the expected standard in writing. (with 11% achieving the GDS)
- 57% of pupils achieved at least the expected standard in Mathematics (with 14% achieving the GDS)

At the end of Foundation Stage in the prime aspects:

- 96.2% of pupils achieved at least expected in Communication and Language.
- 98% of pupils achieved at least expected in Physical Development.
- 97% of pupils achieved at least expected in Personal, Social and Emotional Development.

At the end of Foundation Stage in the specific aspects:

- 81% of pupils achieved at least expected in reading.
- 77% of pupils achieved at least expected in writing.
- 77% of pupils achieved at least expected in Numbers.
- 92% of pupils achieved at least expected in Shape, Space and Measures.
- 96% of pupils achieved at least expected in knowledge and understanding of the world.
- 100% of pupils achieved at least expected in Expressive arts and design.

73% of pupils in the Reception class of 26 pupils achieved a Good Level of Development (GLD) at the end of the academic year which shows good progress which is above Lancashire and National results.

Key performance indicators

In the 2018/19 academic year, the percentage of children judged to be secure at Age Related Expectations (ARE) in Reading:

Year 1 67% (29% greater depth)
Year 3 70% (18% greater depth)
Year 4 76% (8% greater depth)
Year 5 76% (16% greater depth)

In the 2018/19 academic year, the percentage of children judged to be secure at Age Related Expectations (ARE) in Writing:

Year 1: 63% (19% greater depth)
Year 3: 55% (6% greater depth)
Year 4: 68% (4% greater depth)
Year 5: 80% (16% greater depth)

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

In the 2018/19 academic year, the percentage of children judged to be secure at Age Related Expectations (ARE) in Maths:

Year 1: 67% (24% greater depth)

Year 3: 67% (9% greater depth)

Year 4: 60% (4% greater depth)

Year 5: 76% (24% greater depth)

The gap between disadvantaged and non-disadvantaged pupils is slowly closing, but with further improvements to be focused on. Year 2 children are a cohort requiring support but have made good progress from their starting point and from the end of Reception class results. Interventions in 2019/20 will focus on supporting children to fill learning gaps where identified.

Year 1 is a particularly small cohort of 21 pupils.

Year 3 is a particularly large cohort (33 pupils) and has a larger than average number of children with additional needs including ASD, Dyspraxia, Dyslexia and social and emotional needs. This class will be a focus for intervention support next year.

In the 2018/19 academic year, the average percentage of children (in years 1,3,4,5) in receipt of Free School Meals funding judged to be secure at Age Related Expectations (ARE) in Reading was 55%.

In the 2018/19 academic year, the average percentage of children (in years 1,3,4,5) in receipt of FSM funding judged to be secure at Age Related Expectations (ARE) in Writing was 64%.

In the 2019/19 academic year, the average percentage of children (in years 1,3,4,5) in receipt of FSM funding judged to be secure at Age Related Expectations (ARE) in Maths was 64%.

In addition to the broad and balanced curriculum delivered through topic based learning at this school, a variety of extra-curricular activities are offered by the school. In the academic year 2018/19 these included clubs run by school staff and parents:

Running club:	KS1 and KS2: 20%
Netball club:	Y4-Y6: 20%
Football:	KS2: 18%
Choir:	KS2: 19%
Lego club:	Year 2: 27%
Cookery club:	KS1 and KS2: 33%
Multi skills:	KS1: 36%
Chess club:	Y5-6: 36%
Less active club:	54%
Yoga club:	KS1 and KS2: 15%
Archery:	Y1 & Y2: 24%
Mindful colouring:	27%
Digital Leaders:	Y3 – Y6: 16%
Origami:	36%

Additionally, outside agencies offer extracurricular lessons. In 2018/19 these included Judo for Y1- Y6 (2%) and Guitar and Ukulele lessons for years 1-6 (4%) and Spanish for KS1 and KS2 (8%).

Breakfast Club was attended on average by 16% of R-Y6 pupils and After School Club attended by 14% of R-Y6.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

We are a fully inclusive primary school and currently have 9.78% of our population on the Special Needs register. 1.08% of our school population has a statement of Special Educational Needs.

Pupil Numbers

In July 2019 there were 189 pupils on roll. Year group numbers average 27 children per year group:

Reception:	26
Year 1:	21
Year 2:	29
Year 3:	33
Year 4:	25
Year 5:	25
Year 6:	30

There was an in-year movement in several classes. An appeal was held regarding admissions for pupils moving into Year 3. The appeal found that the school was to admit the pupil. Governors and SLT have discussed how we can better accommodate such a large class in future academic years.

In addition, Little Bells Pre-school continues to grow and at the end of July 2019 had 28 children on roll.

Monitoring

The Headteacher, Leadership team, and School Advisor have all carried out lesson observations, book scrutiny, data scrutiny and pupil voice. In addition, books and data have been moderated by the local authority moderation team and external moderation has taken place as a cluster with a variety of local schools. Governors have been involved with looking at data and the monitoring schedule.

Subject Leaders have also monitored standards within their subjects using FADE forms, looking at books and assessment data. The Teaching & Learning committee have continued to meet with the Headteacher and Assessment leader each term, looking at standards following the school monitoring schedule.

Main findings:

The school has been judged to be 'Good' (Ofsted May 2018) for both teaching & learning and behaviour. The school was awarded the Gold (outstanding) behaviour quality mark in November 2017. Intervention within lessons as well as challenge is in evidence in all classes. Data at the end of the year shows that progress and achievement is above national standards in Reception and Year 6. Continued focus on raising standards and quality first teaching (QFT) in all year groups is in place. The use of teaching staff to deliver interventions has proved to have an impact on raising standards. The aspiration is to continue with this, and teachers rather than teaching assistants whenever possible to deliver sessions when the teacher is unavailable due to planning and preparation time.

Areas looked at include:

- Closing the vocabulary gap – using a wider range of subject specific vocabulary
- Reasoning in maths
- Progress of disadvantaged pupils
- Attainment and progress in Reading, especially in KS2
- Creativity
- A wider curriculum

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Teaching and learning

All staff are teaching a wide curriculum. The SLT are monitoring standards and progress. SIP focus is detailed below:

Whole class guided reading is now embedded and takes place across school in Years 2-6. This allows for high quality text to be used and challenging discussions to take place. Results in reading are improving year on year. Alongside this was encouragement to parents to take a more active role in reading with their children and for children to build reading stamina. The profile of reading has improved, and will continue to do so. Mr Furness is well established in the role of Literacy leader and has worked hard to raise the profile of reading as well as monitor standards across the school. Raising standards in writing has been a focus this year and talk for writing strategies are becoming embedded, as well as using a wider higher level vocabulary. The use of lesson study approaches was introduced and this has seen a positive response with strategies being implemented to engage boys especially.

Miss Trafford is proving to be very effective as the maths leader. The White Rose Hub Scheme has been well received and monitoring in this subject is especially thorough. The Mathletics online homework scheme was introduced and will continue into 2019/20. Standards in maths continues to be in line or above Lancashire and National expectations.

Miss Gervis also carefully monitored Assessment throughout the school, ensuring that termly data was analysed and lack of progress identified. Subject leaders received training on analysing data and are now more experienced in monitoring standards within their subjects.

Appreciation and thanks are shown to all the members of staff who give up their time, before, during and after the school day to offer extracurricular activities to the children.

Building

Following a successful Capital Improvement Fund bid in 2017/18, work to extend the kitchen and provide an office for kitchen staff, as well as making changes to car parking and the back entrance to school, began at the end of the summer term 2018 and was completed in October 2018. The total cost was £226,387.

Other work was completed in the year as follows:

- Lockers for pupils - £4,677
- Refurbishment of Year 6 classroom - £5,400
- Laptops for pupils - £4,640
- Premises redecoration - £2,811
- The 'Little Extras' capital funding was used to purchase two class sets of iPads to enable a new style of teaching 'Learning by Questions' to be trialled in the next financial year - £10,929
- New access door - £4,226

Attendance

In the 2018/19 academic year the total attendance percentage was 96.3%; with 2.81% being authorised absences and 0.93% being unauthorised absences. This represents a slight decrease in absences from last year. Miss Nuttall will assume responsibility of monitoring attendance from September 2019, with training planned for the autumn term and a renewed focus on this area.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Behaviour

There have been no instances of fixed period exclusions this academic year. The behaviour of children in class time is of a high standard, with very few instances of challenging behaviour being reported. Some pupils with additional needs find it difficult to be in the class all the time and this can result in unacceptable behaviour. We have put measures in place to deal with this and support the family and child involved.

There have been 4 cases of internal exclusions where pupils have had to spend the day outside of class but working on their class based learning. 2 pupils had internal exclusions for online bullying incidents which took place outside the school, and 2 pupils for aggressive playground behaviour.

Work was carried out with all Year 5 & 6 pupils regarding the inappropriate use of social media and outside agencies came in to speak to the children. Mrs Rowan met with the parents of all pupils involved in online bullying.

Mr Griffiths has taken over the role of Behaviour lead and has put effective measure in place to deal with issues of unacceptable behaviour. Liaison with families is key.

There was one racist incident reported this year which was investigated by the Headteacher. This was an online incident which happened at home. The Headteacher informed Lancashire County Council and the Police. The Hate Crime division came in to speak to the children involved and work with the families. Victim support was offered to the child and his family, and ongoing work will continue in the 2019/20 academic year.

Health and safety

There have been no incidents or accidents that have necessitated reporting other than through the school's internal recording procedures. There is an internal accident record book kept in the staff room.

Going concern

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

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

The academy's total incoming resources during the year were £1,053,797. The majority of the academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the academy's educational operations in the year was £984,575.

Total outgoing resources for the year were £1,202,340, the majority of which related to the direct provision of educational operations. This has resulted in a net decrease in funds of £148,543 after accounting for the movement on the Local Government defined benefit pension scheme.

At 31 August 2019 the academy held total reserves of £943,488, comprising unrestricted funds of £230,169 and restricted funds of £713,319. Restricted funds include fixed assets of £1,200,314, less the LGPS pension scheme deficit of £544,000. The remaining balance represents the restricted general fund which amounted to £57,005 and related to funding received in the year which is due to be spent in 2019/20 in accordance with the terms of funding.

At 31 August 2019 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the school and nursery.

On conversion in 2011 the School inherited a deficit of £169,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased to £544,000 by 31 August 2019, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The school does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The academy's financial management policies are as follows:

- The constant scrutiny of all finances at Belthorn Academy Primary School. Governors are aware that the monitoring of fluctuations in pupil numbers is of major importance as this determines the school's income levels.
- To monitor all budgets - planning and use to set objectives, agree actions and allocated resources.
- To monitor and evaluate best value in all areas - purchases, services and staff.
- To prevent any wastage.
- To maximise the value of the school's assets and obtain the best rate of return.
- To invest in a well thought out three year plan improving management and future financial stability.
- To utilise governor specialist professional knowledge.
- To implement the schools risk and investment policies.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

At 31 August 2019 the School held the following reserves.	2019	2018
Total reserves	943,488	1,255,031
Add back Pension reserve	544,000	302,000
Less reserves attributable to Fixed assets	(1,200,314)	(1,195,899)
Unrestricted and general restricted funds	287,174	361,132
Less restricted general funds	(57,005)	(178,883)
Free reserves	230,169	182,249

At 31 August 2019 the academy held GAG reserves of £26,516.

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school held unrestricted free reserves of £230,169 at 31 August 2019. Unrestricted free reserves provide additional working capital and are not committed or designated.

Total restricted GAG funds, other restricted funds and unrestricted funds amounted to £287,174 at 31 August 2019. These funds will be used to provide working capital to cover delays between the spending and receipt of grants and also as a cushion against any variance in pupil numbers.

The reserves policy is to retain a minimum level of general restricted and unrestricted funds of £60,000 and a maximum of 12% of GAG, which would be equal to £86,775. Current reserves are higher than this but there is an expectation that these will be reduced in the short term by reduced funding due to fluctuating pupil numbers.

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. Surplus cash is held in a current account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

Principal risks and uncertainties

The governors have assessed the major risks to which the academy is exposed, in particular those relating to teaching, health and safety, school trips, child protection, and finances. These risks are reviewed on an annual basis by the Teaching & Learning, Finance and Health & Safety Committees.

The responsible officer role was not in place for the Autumn and Spring term, as this was a time of transition between the retiring Business Manager and incoming so a peer review system was in operation with direct report to Governors. A qualified accountant has been appointed from Autumn term of 2019 to cover the later part of the summer term into autumn.

No major issues have been identified. Improvements to systems and procedures have been implemented.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The governors have undertaken a risk review and completed a risk register. A risk policy has been developed to mitigate the risks identified.

The principal risks are deemed to be:

- Reduction in pupil numbers
- Disaster recovery
- Staff continuity
- Employer pension contributions

Fundraising

The school takes a community approach to fundraising with an active PTFA to raise funds to support school trips and enrichment activities.

The school does not work with any professional fundraisers or commercial partners, but does gratefully accept donations from commercial organisations such as raffle prizes to support school events.

No members of the school community, or others, are pressured to donate to any fundraising events, these are willingly supported. The school would accept any complaints with regards to fundraising under its Complaints Policy.

Funds raised are monitored by the Governors of the school and audited annually.

Plans for future periods

- Investigation of a SALIX bid to replace lighting to more economical/sustainable fittings
- Refurbishment of Year 5 classroom
- Modifying ambience of Reception classroom
- Investigating improvements to pupil toilets
- Extension of the use of iPads in day to day learning, pending review of current trial
- Reviewing broadband provision in line with growing use of technology
- Development of outside play and sports facilities

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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 auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The governors' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 5.12.19 and signed on its behalf by:



Y Brown
Chair of Governors

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that Belthorn Academy Primary School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body 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 Belthorn Academy Primary School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
L Billingham	2	3
Y Brown (Chair of Governors)	3	3
S Lowe	2	3
N Hodgkinson (Resigned 8 November 2018)	1	1
J Slack (Vice Chair)	2	3
S Akram (Resigned 8 July 2019)	1	3
L Taylor	3	3
M Egan (Staff Governor) (Resigned 19 October 2018)	1	1
R Battersby-Cornmell	3	3
M Ali	2	3
H Rowan (Accounting Officer)	3	3
C Banks	2	3
M Griffiths	3	3
Mr E Nolan (Appointed 4 July 2019)	0	0
Mr N Griffiths (Staff Governor) (Appointed 19 October 2018)	2	2

Two new Governors were appointed during the year, one staff and one parent Governor.

The Governing Body regularly receives reports and data from a number of sources which it uses to inform its decisions about school. These include Headteacher reports, School Business Manager reports, reports from the external school advisor, audit reports, assessment data, ASP and LSIP and reports from Governors to the board on specific topics.

In addition, during the year, school received external moderation of EYFS. An external moderator also observed the SATS examinations procedures in summer 2019. The broad range of data and reports ensures that the Governing Body is not reliant on just one source of information but receives a wide range of information which helps to ensure accuracy of the judgements.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governance review

The governors of the school conduct committee reviews annually each Autumn which look at the performance of each committee, alongside training and members' assessment of their own effectiveness. Governors undertake skills audits on an annual basis and address any training needs with relevant up-to-date training. During 2018/19, a 360 degree review of the Chair was undertaken which showed that the Chair of Governors is self-reflective and encourages Governors to review their own performance. One area for development would be succession planning and Governor personal development.

Governors continue to visit the school to observe their individual subjects and take on training accordingly. All committees review their own performance, benchmarking as part of the committee structure.

Governors recognise challenges associated with maintaining and increasing the number on roll, maintaining staffing levels and standards of teaching, especially in the current financial climate.

Finance and audit committee

The finance and audit committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility and to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The committee has responsibility for making appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the full governing body for ratification.

Attendance at the finance and general purposes committee meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Y Brown (Chair of Governors)	3	3
S Lowe	1	3
N Hodgkinson (Resigned 8 November 2018)	1	1
J Slack (Vice Chair)	1	3
L Taylor	3	3
R Battersby-Cornmell	3	3
H Rowan (Accounting Officer)	3	3

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 governing body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Deploying staff to best promote high quality teaching and learning based on their skills, aptitude and experience.
- Ensuring best value-for-money when purchasing resources to ensure the maximum number of children possible benefit.
- We aim to use the training available through Lancashire County Council and other providers to ensure that all Governors are well-trained in their role, and that any gaps in skills are addressed.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 Belthorn Academy Primary School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors 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 governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

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 governing body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

During 2018/19 as there were two qualified Business Managers in school a system of peer review was in place and the Governing Body kept informed of any areas of concern, of which there were none.

July/August 2019 will be reviewed externally by a qualified accountant from Egan Roberts Ltd by way of internal audit and presented to the Governing Body in the autumn term.

Review of effectiveness

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

- The internal scrutiny by way of peer review;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the governing body on 5/12/19 and signed on its behalf by:



Y Brown
Chair of Governors



H Rowan
Accounting Officer

BELTHORN ACADEMY PRIMARY SCHOOL

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

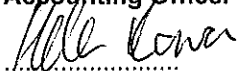
As accounting officer of Belthorn Academy Primary School I have considered my responsibility to notify the academy trust governing body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

In relation to the review of systems and procedures, due to staff changes in the school business manager, peer review has been completed in the year rather than the appointment of an independent reviewer. An independent reviewer has been appointed since the year end and will be completing a report on systems and procedures for July and August 2019 as part of their first report. In addition, the financial information completed on a monthly basis was not fully compliant with the Academies Financial Handbook 2018. The information provided was a copy of the monthly bank reconciliation and a list of all bank transactions in the period. It therefore did not include the required budget variance report, cashflow forecast and details of debtors and creditors. The format of the accounts is being reviewed and developed with effect from September 2019 such that the management accounts will be compliant with the Academies Financial Handbook 2019 going forward.

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

H Rowan
Accounting Officer


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BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The governors (who act as trustees for Belthorn Academy Primary School and are also the directors of Belthorn Academy Primary School for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 5/12/19 and signed on its behalf by:



Y Brown
Chair of Governors

BELTHORN ACADEMY PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELTHORN ACADEMY PRIMARY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

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

In our opinion the accounts:

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

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information, which comprises Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance, the Trustees Responsibilities Statement and our auditor's report on the accounts. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

BELTHORN ACADEMY PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELTHORN ACADEMY PRIMARY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions 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 governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 governors' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the governors 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 governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BELTHORN ACADEMY PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELTHORN ACADEMY PRIMARY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Christine Wilson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

10/12/19

BELTHORN ACADEMY PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BELTHORN ACADEMY PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 12 August 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Belthorn Academy Primary School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Belthorn Academy Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Belthorn Academy 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 Belthorn Academy Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Belthorn Academy Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Belthorn Academy Primary School's funding agreement with the Secretary of State for Education dated 29 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes an evaluation of the control environment together with appropriate enquiry, analytical review and substantive testing of transactions and consideration of governance issues.

BELTHORN ACADEMY PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

As noted in the Statement of Regularity, Propriety and Compliance in relation to the review of systems and procedures, due to staff changes in the school business manager, a peer review was completed rather than the appointment of an independent reviewer. An independent reviewer has been appointed since the year end. In addition, the financial information completed on a monthly basis was not fully compliant with the Academies Financial Handbook 2018. The information provided was a copy of the monthly bank reconciliation and a list of all bank transactions in the period. It therefore did not include the required budget variance report, cashflow forecast and details of debtors and creditors. The format of the accounts is being reviewed and developed with effect from September 2019 such that the management accounts will be compliant with the Academies Financial Handbook 2019 going forward.

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

MHA Moore and Smalley

Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

10/12/19

BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2019	Total 2018
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	5,354	4,179	15,881	25,414	192,501
Charitable activities:						
- Funding for educational operations	4	64,818	919,757	-	984,575	1,037,225
Other trading activities	5	43,608	-	-	43,608	33,815
Investments	6	200	-	-	200	258
Total income and endowments		<u>113,980</u>	<u>923,936</u>	<u>15,881</u>	<u>1,053,797</u>	<u>1,263,799</u>
Expenditure on:						
Raising funds	7	35,618	-	-	35,618	32,310
Charitable activities:						
- Educational operations	8	30,442	1,049,095	87,185	1,166,722	1,038,273
Total expenditure	7	<u>66,060</u>	<u>1,049,095</u>	<u>87,185</u>	<u>1,202,340</u>	<u>1,070,583</u>
Net income/(expenditure)		47,920	(125,159)	(71,304)	(148,543)	193,216
Transfers between funds		-	(75,719)	75,719	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(163,000)	-	(163,000)	120,000
Net movement in funds		<u>47,920</u>	<u>(363,878)</u>	<u>4,415</u>	<u>(311,543)</u>	<u>313,216</u>
Reconciliation of funds						
Total funds brought forward		<u>182,249</u>	<u>(123,117)</u>	<u>1,195,899</u>	<u>1,255,031</u>	<u>941,815</u>
Total funds carried forward	16	<u>230,169</u>	<u>(486,995)</u>	<u>1,200,314</u>	<u>943,488</u>	<u>1,255,031</u>

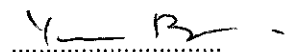
BELTHORN ACADEMY PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		1,200,314		1,123,404
Current assets					
Debtors	13	28,967		66,423	
Cash at bank and in hand		364,303		530,595	
		<u>393,270</u>		<u>597,018</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(106,096)		(163,391)	
Net current assets			287,174		433,627
Net assets excluding pension liability			1,487,488		1,557,031
Defined benefit pension scheme liability	18		(544,000)		(302,000)
Total net assets			<u>943,488</u>		<u>1,255,031</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,200,314		1,195,899
- Restricted income funds			57,005		178,883
- Pension reserve			(544,000)		(302,000)
Total restricted funds			<u>713,319</u>		<u>1,072,782</u>
Unrestricted income funds	16		230,169		182,249
Total funds			<u>943,488</u>		<u>1,255,031</u>

The accounts on pages 24 to 45 were approved by the governors and authorised for issue on 5/12/19 and are signed on their behalf by:



Y Brown
Chair of Governors

Company Number 07756219

BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(18,278)		191,055
Cash flows from investing activities					
Dividends, interest and rents from investments		200		258	
Capital grants from DfE Group		15,881		189,283	
Purchase of tangible fixed assets		(164,095)		(126,744)	
Net cash (used in)/provided by investing activities			(148,014)		62,797
Net (decrease)/increase in cash and cash equivalents in the reporting period			(166,292)		253,852
Cash and cash equivalents at beginning of the year			530,595		276,743
Cash and cash equivalents at end of the year			364,303		530,595

BELTHORN ACADEMY PRIMARY SCHOOL

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

1 Accounting policies

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

1.1 Basis of preparation

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

Belthorn Academy Primary School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The governors 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 charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

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.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

On conversion the school acquired the freehold land and buildings from which it operates. No value was paid for the land and buildings which were incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2012 on behalf of the Department of Education by DTZ. This valuation was adjusted to take account of depreciation in the year since conversion to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the school inherited the fixtures and fittings and other tangible fixed assets in use by the school at the date of conversion. In most cases, however, the assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value was therefore included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £598,000.

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

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

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

Freehold land and buildings	2% p.a.
Assets under construction	10% p.a.
Computer equipment	33% p.a.
Fixtures, fittings & equipment	25% p.a.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

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

1.10 Pensions benefits

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 and the assets are held separately from those of the academy trust.

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. The 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 are 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.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.11 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 governors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

Accounting 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.

Present value of the Local Government Pension Scheme defined benefit liability

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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 50 years is applied to freehold buildings, 10 years for building refurbishments, 4 years for fixtures, fittings and equipment and 3 years for computer equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

Classification and valuation of freehold land and buildings

The academy's freehold land and buildings are wholly used in the course of the academy's business. At the date of transition to FRS 102, the freehold land and buildings were measured at their fair value at 1 September 2014, which upon transition, was interpreted as deemed cost. Subsequent purchases of land and buildings are initially measured at cost.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	15,881	15,881	189,283
Other donations	5,354	4,179	9,533	3,218
	<u>5,354</u>	<u>20,060</u>	<u>25,414</u>	<u>192,501</u>

The income from donations and capital grants was £25,414 (2018: £192,501) of which £5,354 was unrestricted (2018: £3,218), £4,179 was restricted (2018: £-) and £15,881 was restricted fixed assets (2018: £189,283).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	723,128	723,128	751,554
Other DfE / ESFA grants	-	86,883	86,883	89,198
	<u>-</u>	<u>810,011</u>	<u>810,011</u>	<u>840,752</u>
Other government grants				
Local authority grants	-	100,566	100,566	115,098
	<u>-</u>	<u>100,566</u>	<u>100,566</u>	<u>115,098</u>
Other funds				
Other incoming resources	64,818	9,180	73,998	81,375
	<u>64,818</u>	<u>9,180</u>	<u>73,998</u>	<u>81,375</u>
Total funding	<u>64,818</u>	<u>919,757</u>	<u>984,575</u>	<u>1,037,225</u>

The income from funding for educational operations was £984,575 (2018: £1,037,225) of which £64,818 was unrestricted (2018: £73,269) and £919,757 was restricted (2018: £963,956).

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Other income	43,608	-	43,608	33,815

The income from other trading activities was £43,608 (2018: £33,815) of which £43,608 was unrestricted (2018: £33,815).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	200	-	200	258

The income from funding for investment income was £200 (2018: £258) of which £200 was unrestricted (2018: £258).

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	31,310	-	4,308	35,618	32,310
Academy's educational operations					
- Direct costs	591,132	10,027	75,093	676,252	671,802
- Allocated support costs	284,519	137,058	68,893	490,470	366,471
	906,961	147,085	148,294	1,202,340	1,070,583

The expenditure on raising funds was £35,618 (2018: £32,310) of which £35,618 was unrestricted (2018: £32,310).

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	5,675	5,400
- Other services	2,560	3,135
Depreciation of tangible fixed assets	87,185	69,377
Net interest on defined benefit pension liability	8,000	8,000

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	13,800	662,452	676,252	671,802
Support costs				
Educational operations	16,642	473,828	490,470	366,471
	<u>30,442</u>	<u>1,136,280</u>	<u>1,166,722</u>	<u>1,038,273</u>

The expenditure on charitable activities was £1,166,722 (2018: £1,038,273) of which £30,442 was unrestricted (2018: £34,559), £1,049,095 was restricted (2018: £934,337) and £87,185 was restricted fixed assets (2018: £69,377).

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities	(Continued)	
	2019 £	2018 £
Analysis of support costs		
Support staff costs	284,519	219,538
Depreciation	77,158	55,136
Premises costs	50,828	37,163
Other support costs	69,740	42,101
Governance costs	8,225	12,533
	<u>490,470</u>	<u>366,471</u>

9 Governors' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mrs H Rowan (Head Teacher and governor):

- Remuneration £50,000 - £55,000 (2018: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

Miss M Egan (staff governor - resigned 13/11/2018):

- Remuneration £5,000 - £10,000 (2018: £40,000 - £45,000)
- Employer's pension contributions £nil - £5,000 (2018: £5,000 - £10,000)

Mr M Griffiths (staff governor)

- Remuneration £20,000 - £25,000 (2018: £5,000 - £10,000)
- Employer's pension contributions £nil - £5,000 (2018: £nil - £5,000)

Mr N Griffiths (staff governor - appointed 19/10/2018)

- Remuneration £25,000 - £30,000
- Employer's pension contributions £nil - £5,000

Travel and subsistence payments of £21 (2018: £nil) were reimbursed to one trustee (2018: zero) during the year.

Other related party transactions involving the governors are set out within the related parties note.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	672,724	609,184
Social security costs	55,835	40,786
Pension costs	177,200	154,468
Staff costs	905,759	804,438
Agency staff costs	1,202	7,452
Total staff expenditure	906,961	811,890

Non statutory/non-contractual staff severance payments

A settlement agreement of £6,108 was paid during the year.

Staff numbers

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

	2019 Number	2018 Number
Teachers	8	8
Administration and support	22	22
Management	3	3
	33	33

The numbers for Administration and support staff include teaching assistants.

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the governors 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 £164,975 (2018: £219,993).

11 Governors and officers insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	1,231,909	110,490	78,532	54,018	1,474,949
Transfer on conversion	259,016	(259,016)	-	-	-
Additions	-	148,526	15,569	-	164,095
	<u>1,490,925</u>	<u>-</u>	<u>94,101</u>	<u>54,018</u>	<u>1,639,044</u>
Depreciation					
At 1 September 2018	250,894	-	64,500	36,151	351,545
Charge for the year	68,128	-	10,027	9,030	87,185
	<u>319,022</u>	<u>-</u>	<u>74,527</u>	<u>45,181</u>	<u>438,730</u>
Net book value					
At 31 August 2019	<u>1,171,903</u>	<u>-</u>	<u>19,574</u>	<u>8,837</u>	<u>1,200,314</u>
At 31 August 2018	<u>981,015</u>	<u>110,490</u>	<u>14,032</u>	<u>17,867</u>	<u>1,123,404</u>

Included within freehold land and buildings is land at a cost of £155,606 which is not depreciated.

13 Debtors

	2019 £	2018 £
VAT recoverable	4,305	11,941
Prepayments and accrued income	24,662	54,482
	<u>28,967</u>	<u>66,423</u>

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	25,968	77,980
Other taxation and social security	14,024	13,644
Other creditors	6,688	6,049
Accruals and deferred income	59,416	65,718
	<u>106,096</u>	<u>163,391</u>

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Deferred income	2019 £	2018 £
	Deferred income is included within:		
	Creditors due within one year	17,755	19,148
	Deferred income at 1 September 2018	19,148	19,247
	Released from previous years	(19,148)	(19,247)
	Resources deferred in the year	17,755	19,148
	Deferred income at 31 August 2019	17,755	19,148

At the balance sheet date the academy trust was holding funds received in advance for the Universal Infant Free School Meals programme.

16	Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
	Restricted general funds					
	General Annual Grant (GAG)	148,093	723,128	(768,986)	(75,719)	26,516
	Other DfE / ESFA grants	5,550	86,883	(92,433)	-	-
	Other government grants	25,240	100,566	(95,317)	-	30,489
	Other restricted funds	-	13,359	(13,359)	-	-
	Pension reserve	(302,000)	-	(79,000)	(163,000)	(544,000)
		(123,117)	923,936	(1,049,095)	(238,719)	(486,995)
	Restricted fixed asset funds					
	Inherited on conversion	813,588	-	(15,276)	-	798,312
	DfE group capital grants	261,887	15,881	(41,290)	(5,650)	230,828
	Capital expenditure from GAG	120,424	-	(30,619)	81,369	171,174
		1,195,899	15,881	(87,185)	75,719	1,200,314
	Total restricted funds	1,072,782	939,817	(1,136,280)	(163,000)	713,319
	Unrestricted funds					
	General funds	182,249	113,980	(66,060)	-	230,169
	Total funds	1,255,031	1,053,797	(1,202,340)	(163,000)	943,488

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

General Annual Grant must be used for the normal running expenses of the academy and any amounts carried forward at the end of a financial year must be used in accordance with the terms of the funding agreement. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with specific terms of each grant.

Other government grants includes LA funding for Special Educational Needs and Early Years funding, which was fully expended in the year.

The pension reserve represents the value of the academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited on conversion was £169,000 and had risen to £544,000 at 31 August 2019.

Restricted fixed asset funds include assets inherited on conversion and subsequent fixed asset additions. Depreciation is charged against the fund.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	110,220	751,554	(703,725)	(9,956)	148,093
Other DfE / ESFA grants	-	89,198	(83,648)	-	5,550
Other government grants	-	115,098	(89,858)	-	25,240
Other restricted funds	-	8,106	(8,106)	-	-
Pension reserve	(373,000)	-	(49,000)	120,000	(302,000)
	<u>(262,780)</u>	<u>963,956</u>	<u>(934,337)</u>	<u>110,044</u>	<u>(123,117)</u>
Restricted fixed asset funds					
Transfer on conversion	828,864	-	(15,276)	-	813,588
DfE group capital grants	92,953	189,283	(20,349)	-	261,887
Capital expenditure from GAG	144,220	-	(33,752)	9,956	120,424
	<u>1,066,037</u>	<u>189,283</u>	<u>(69,377)</u>	<u>9,956</u>	<u>1,195,899</u>
Total restricted funds	<u>803,257</u>	<u>1,153,239</u>	<u>(1,003,714)</u>	<u>120,000</u>	<u>1,072,782</u>
Unrestricted funds					
General funds	<u>138,558</u>	<u>110,560</u>	<u>(66,869)</u>	<u>-</u>	<u>182,249</u>
Total funds	<u>941,815</u>	<u>1,263,799</u>	<u>(1,070,583)</u>	<u>120,000</u>	<u>1,255,031</u>

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	1,200,314	1,200,314
Current assets	230,169	163,101	-	393,270
Creditors falling due within one year	-	(106,096)	-	(106,096)
Defined benefit pension liability	-	(544,000)	-	(544,000)
Total net assets	230,169	(486,995)	1,200,314	943,488

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	1,123,404	1,123,404
Current assets	184,572	307,295	105,151	597,018
Creditors falling due within one year	(2,323)	(128,412)	(32,656)	(163,391)
Defined benefit pension liability	-	(302,000)	-	(302,000)
Total net assets	182,249	(123,117)	1,195,899	1,255,031

18 Pension and similar obligations

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 Lancashire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £6,049 (2017: £4,983) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

Scheme Changes

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £52,143 (2017: £ 48,037).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6% for employers and 5.5% for employees.

The academy has entered into an agreement to make a contribution towards the deficit of £7,600 in 2018/19 and £7,900 in 2019/20, in addition to the normal funding levels.

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

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	56,000	53,000
Employees' contributions	15,000	15,000
Total contributions	71,000	68,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

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

	2019 Years	2018 Years
Retiring today		
- Males	22.8	22.7
- Females	25.5	25.4
Retiring in 20 years		
- Males	25.1	25.0
- Females	28.2	28.0

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 '£000	2018 '£000
Discount rate + 0.1%	517	282
Inflation + 0.1%	570	323
Pay growth + 0.1%	549	307
Mortality assumption + 1 year	566	320

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	363,000	309,000
Government bonds	-	24,000
Other bonds	12,000	4,000
Cash/liquidity	14,000	6,000
Property	67,000	64,000
Other assets	304,000	294,000
Total market value of assets	760,000	701,000

The actual return on scheme assets was £89,000 (2018: £38,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	85,000	93,000
Past service cost	41,000	-
Interest income	(19,000)	(15,000)
Interest cost	27,000	23,000
Benefit changes, curtailments and settlements gains or losses	(1,000)	(1,000)
Administration expenses	1,000	1,000
Total operating charge	134,000	101,000

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	1,003,000
Current service cost	85,000
Interest cost	27,000
Employee contributions	15,000
Actuarial loss/(gain)	233,000
Benefits paid	(100,000)
Past service cost	41,000
At 31 August 2019	1,304,000

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2019 £
At 1 September 2018	701,000
Interest income	19,000
Actuarial gain	70,000
Employer contributions	56,000
Employee contributions	15,000
Benefits paid	(100,000)
Administration expenses	(1,000)
At 31 August 2019	760,000

19 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(148,543)	193,216
Adjusted for:		
Capital grants from DfE and other capital income	(15,881)	(189,283)
Investment income receivable	(200)	(258)
Defined benefit pension costs less contributions payable	71,000	41,000
Defined benefit pension scheme finance cost	8,000	8,000
Depreciation of tangible fixed assets	87,185	69,377
Decrease/(increase) in debtors	37,456	(36,432)
(Decrease)/increase in creditors	(57,295)	105,435
Net cash (used in)/provided by operating activities	(18,278)	191,055

20 Contingent liabilities

There were no contingent liabilities as at 31 August 2019 or 31 August 2018.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	592	592
Amounts due in two and five years	1,381	1,973
	<u>1,973</u>	<u>2,565</u>

None of the above operating lease commitments relate to land and buildings.

22 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	-	98,713

The above commitment related to a capital project which was ongoing at the previous year end.

23 Related party transactions

No related party transactions took place in the period of account other than certain governors' remuneration and expenses already disclosed in note 9.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.