

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 2020



BELTHORN ACADEMY PRIMARY SCHOOL

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BELTHORN ACADEMY PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

S Lowe
J Slack (resigned 09/09/2020)
Y Brown
D Merrick

Governors

L Billingham
Y Brown (Chair of Governors)
S Lowe
J Slack (Resigned 30 January 2020)
L Taylor
R Battersby-Cornmell
M Ali
H Rowan (Accounting Officer)
C Banks
M Griffiths
Mr E Nolan (Vice Chair)
Mr N Griffiths (Staff Governor)
B Ghafoor (Appointed 11 June 2020)
C M Holden (Appointed 11 June 2020)
M Hussain (Appointed 11 June 2020)
C L Jackson (Appointed 11 June 2020)

Senior management team

- Headteacher	H Rowan
- School Business Manager	H Saint
- Deputy Head Teacher	M Egan
- Assessment Co-ordinator	M Egan

Company secretary

Mrs H Saint

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 2020

The governors present their annual report together with the financial statements and auditor's report of the academy for the period 1 September 2019 to 31 August 2020.

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

The 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 181 on 1 July 2020. 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. 21 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 2020

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

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 2020

Objectives, strategies and activities

School improvement work during the 2019/20 academic year continued to focus on raising standards and improving pupil progress. An important part of this was work carried out to continue to develop the role of the middle leaders throughout school in their capacity of Subject Leaders and also UPS teachers.

Curriculum focus was on the development of teaching STEM, geography and PSHE as well as widening vocabulary within every subject area. The work of previous years to motivate reluctant leaders and therefore improve progress and attainment was also a key feature. The SLT and UPS staff had a specific monitoring role focusing on those pupils in receipt of PP funding. The re-design of our curriculum played a big part in our strategic planning.

Providing quality first teaching as well as quality interventions continues to be of high importance in the mission to improve standards across the school. Funding of additional TA hours was directed to support this in 19/20 and will continue to be used to improve standards in 20/21.

The teaching structure for 19/20 enabled Miss Egan to continue her important role in school development. This year the focus has been on re-designing the school curriculum, especially in relation to the new OFSTED framework and requirements. Miss Egan, alongside one of the UPS teachers, designed training packages for all staff after intensive research into a number of curriculum designs. The changes we have made ensure that we are focusing on a skills based curriculum which teaches the children new knowledge which can be linked to prior knowledge. We believe in this way children will be able to remember and apply what they have learnt. INSET days and staff meetings have involved all teaching staff. Time has been given to teachers to plan together in mixed year groups, EYFS, Y1/2, Y3/4, Y5/6. This continued during the period of partial closures from March - July 2020. Miss Egan was successful in gaining accreditation as an SLE (Specialist Leader in Education) during 2018/19 and in 19/20 received training for this. She also completed a research project into the link between pupil wellbeing and attendance in conjunction with Lancaster University. Miss Egan also continued to co-ordinate the role of student teachers in school and undertook some work interviewing prospective student teacher candidates as well as mentoring them and organising their placements within school.

Middle leaders are now established within their roles as subject leaders and are showing confidence when monitoring standards across the school. Mr Griffiths (STEM), Mrs Sutcliff (geography) and Mrs Powell (PSHE) all undertook OFSTED style interviews about their subjects and standards within them. These were carried out by the school advisory team and all members of staff were able to discuss their subject areas with confidence and authority.

All Subject Leaders have delivered training this year and have written detailed action plans and evaluated them at the end of the year. Because of the Covid 19 situation, some actions will have to be carried forward to the 2020/21 academic year. A significant amount of money was spent on teachers receiving CPD from outside sources this year. The money the school 'earned' from hosting student teachers was used to fund this. Continued CPD has proved to be well received and useful for targeting training.

One of our TAs began an intensive course on supporting emotional literacy. Unfortunately, several of the dates had to be cancelled due to Covid 19 but we are hopeful that this will recommence as online training in Autumn term 2020. Mrs Hall, the TA involved, will then be able to offer support in school if and when children can mix in small groups.

In the period March - July 2020 school was open to vulnerable pupils and children of key workers. In June 2020, children in Little Bells, Reception and Year 1 returned to school. In July 2020 Year 6 spent their final week in school. The staff worked extremely hard to deliver teaching via an online app called Showbie during this time. As time went on, the remote teaching evolved to include teaching via Zoom for the majority of pupils.

Our monitoring procedure continues to be rigorous, with expectations growing term by term on our journey to become outstanding.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Strategic report

Achievements and performance

For the 2019/20 academic year no standardised testing took place for year 2 and 6 and phonic screening for children in year 1 did not happen. EYFS data was not submitted to LCC or the DfE. All results are based on teacher assessment using results from moderation exercises as well as 'mock' SATs results in year 2 and 6 and for phonic screening. End of year EYFS results were also based on teacher assessments at the end of the Spring term 2020.

At the end of Key Stage 2:

- 85% of pupils achieved at least the expected standard in reading. (8% achieving above the standard)
- 81% of pupils achieved at least the expected standard in writing. (26% achieving above the standard)
- 92% of pupils achieved at least the expected standard in mathematics. (22% achieving above the standard)
- 93% 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, with 22% achieving GDS combined.

At the end of Key Stage 1:

- 67% of pupils achieved at least the expected standard in reading (with 9.5% working at greater depth).
- 67% of pupils achieved at least the expected standard in writing. (with 0% achieving the GDS)
- 62% of pupils achieved at least the expected standard in Mathematics (with 0% achieving the GDS)
- The combined score for RWM was 47%

At the end of Foundation Stage in the prime aspects:

- 95% of pupils achieved at least expected in Communication and Language.
- 95% of pupils achieved at least expected in Physical Development.
- 95% of pupils achieved at least expected in Personal, Social and Emotional Development.

At the end of Foundation Stage in the specific aspects:

- 85% of pupils achieved at least expected in reading.
- 85% 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.

There were 20 pupils in this cohort of children.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

In the 2019/20 academic year, the percentage of children judged to be secure at Age Related Expectations (ARE) in Reading:

Year 1 64% (8.3% greater depth)

Year 3 57% (0% greater depth)

Year 4 59% (3% greater depth)

Year 5 71% (8.3% greater depth)

In the 2019/20 academic year, the percentage of children judged to be secure at Age Related Expectations (ARE) in Writing:

Year 1: 64% (8.3% greater depth)

Year 3: 50% (0% greater depth)

Year 4: 76% (0% greater depth)

Year 5: 67% (8.3% greater depth)

In the 2019/20 academic year, the percentage of children judged to be secure at Age Related Expectations (ARE) in Maths:

Year 1: 66% (11% greater depth)

Year 3: 63% (13% greater depth)

Year 4: 56% (18% greater depth)

Year 5: 75% (8.3% greater depth)

The gap between disadvantaged and non-disadvantaged pupils is slowly closing, but with further improvements to be focused on. All children this year will need significant interventions to fill the gaps in learning which have resulted from the Covid 19 epidemic. Although there has been positive engagement online from the majority of families, it is not the same as having QFT and interventions taking place face to face. We anticipate that disadvantaged pupils will be particularly affected by the school closures.

It is hard to comment on the attainment in any year group as judgements were made in March. Interventions for ARE and GDS would have been a key focus for the summer term as is usual practice.

Year 2 (2019/20) is a particularly small cohort of 22 pupils.

Year 3 cohort had a much lower combined RWM score at the end of EYFS. These results are in line with previous scores.

Year 4 is a particularly large cohort (34 pupils) and has a larger than average number of children with additional needs including ASD, Dyspraxia, Dyslexia and social and emotional needs.

Year 6 cohort made good progress from starting points and achieved well. We would have anticipated a greater number of GDS if the children had been in school for a full year.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

FSM Children - at the end of the academic year 19/20 there were 11 FSM children in receipt of PP funding in school. The following percentages related to the % of pupils judged to be on track at the end of the year compared to other PP children. In years 1,3,4,5 there were 8 children in receipt of FSM.

In the 2019/20 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 Reading was 50%.

In the 2019/20 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 50%.

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 63%.

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 2019/20 these included clubs run by school staff and parents:

Percentages are of the whole school. Most clubs were not open to the whole school but a targeted group.

Running club:	KS2: 11%
Netball club:	Y4-Y6: 11%
Football:	KS2: 20%
Choir:	KS2: 19%
Science:	8%
Girls football:	7%
Multi skills:	20%
Eco club:	3%
Dance:	6%
Miss Egan's club:	3%
Hockey:	10%
Rugby:	10%
Social Club:	11%
Chess:	5%
Computing:	5%
Spanish:	3%
Guitar:	3%

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.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

We are a fully inclusive primary school and currently have 9% of our population on the Special Needs register. 1.09% of our school population has a statement of Special Educational Needs.

Pupil Numbers

In July 2020 there were 182 pupils on roll. Year group numbers average 26 children per year group:

Reception:	20
Year 1:	27
Year 2:	22
Year 3:	30
Year 4:	34
Year 5:	22
Year 6:	27

In addition, Little Bells Pre-school had 22 children on roll at the end of July 2020.

There was an in-year movement during 2019/20 but at the end of the academic year several children moved house and therefore moved to new schools. This totalled 5 pupils.

Monitoring

The Headteacher, Leadership team, and School Advisor carried out lesson observations, book scrutiny, data scrutiny, Subject Leader interviews and pupil voice. In addition, books have been moderated by the local cluster group. 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. Feedback from the School Advisor indicates that we continue to be good and outstanding behaviour was noted. The SLT feels that we are making steps towards a judgement of outstanding with consistent FQT teaching and strong Subject Leadership being an important feature. Intervention within lessons as well as challenge is in evidence in all classes. 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, as well as PPA times. The aspiration is to continue with this, although due to the Covid 19 guidelines it is not possible to have qualified teaching staff rather than TAs to deliver PPA sessions. Staff have valued time to spend with colleagues engaged in medium term planning and collaborative working. They have also found staff meeting times to conduct SL roles and tasks very useful.

All subject leaders monitored standards within their subjects looking at data, books, pupil voice and staff voice.

In addition, whole school moderation took place in the following areas:

- Cross curricular writing in history
- Cross curricular writing in RE
- Science
- Progress of disadvantaged pupils

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Teaching and learning

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

STEM

Mr Griffiths produced a detailed action plan and managed to complete many of these before school closures in March. The profile of STEM was raised, visitors to school to discuss STEM based careers proved popular with KS2 pupils, new resources were purchased and Mr Griffiths delivered whole school and cross school training. Several events will be carried forward to the 20/21 academic year. Notably Mr Griffiths attended a residential course at York university to deepen his understanding of teaching STEM. Following this he has delivered CPD to staff and worked with a local school to produce cross school training and workshops for pupils. This will continue in 20/21.

Geography

Mrs Sutcliff managed to action most of her SL plan before school closures. We managed to complete Geography whole school CPD and attain the eco schools bronze award. Mrs Sutcliff started her maternity leave in June 2020. She has handed the role of SL to Miss Sutton who will complete any remaining actions in the autumn term.

PSHE

Mrs Powell produced a PSHE action plan and delivered training based on the new RSE requirements. She also looked into an online intervention programme to support wellbeing in children who might be anxious or have other emotional difficulties. Unfortunately, we were not able to carry this out due to Covid 19. We are hoping to resume this in the 20/21 academic year. Mrs Powell resigned from Belthorn at the end of the summer term and her role of SL has been taken over by Mrs Drugan who has already begun to implement changes and has attended training. PSHE will continue to be part of the SIP for 20/21.

Building

Work was completed in the year as follows:

- Refurbishment of Year 5
- New low energy lights in corridors
- New furniture for Years 3 and 4
- Premises redecoration - £2,410
- Replacement carpeting

Other projects have been quoted for and held due to interruptions and changes in the financial landscape due to the reduction of trading income because of partial school closure from March to July 2020. These include improvements to toilets and visitor reception area.

The school was also awarded a £50k grant provision under the Rural Gigabit scheme from the Department of Culture to bring super fast broadband to the school and surrounding community. The project will complete in the next financial year.

Attendance

In the 2019/20 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. The Administration Manager has used her development and training in this area to introduce good routines and practices for managing attendance.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 0 cases of internal exclusions where pupils have had to spend the day outside of class but working on their class based learning.

Mr Griffiths continues to be very effective in his role as Behaviour lead and has put effective measure in place to deal with issues of unacceptable behaviour. Liaison with families is key. In 2019/20 the school has used the Inspection coach program to focus in on areas for improvement regarding behaviour and has made small improvements to the way it rewards children and the expectations regarding behaviour. The only area for improvement noted is the behaviour of pupils in the hall at lunchtime. Playground behaviour remains good, with the Playground leaders scheme being embedded and the appointment of Mr Yousaf as teacher in charge of playground leaders being key. Mr Griffiths has reviewed the behaviour and Anti Bullying policies in light of new guidance from LCC and the Lancashire safeguarding team.

A decision has been made to buy into CPOMs which is a computerised system of recording behaviour incidents, parental involvements etc. We feel that a more consistent system of recording these conversations would be beneficial.

There were no racist incidents reported this 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.

Fire Drills continued during the school's partial closure.

Health and Safety walkrounds and maintenance checks continue to be made by Mr Griffiths and Mrs Rowan on a regular basis.

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 2020

Financial review

The academy's total incoming resources during the year were £1,037,939. 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 £995,125.

Total outgoing resources for the year were £1,195,718, the majority of which related to the direct provision of educational operations. This has resulted in a net decrease in funds of £157,779 after accounting for the movement on the Local Government defined benefit pension scheme.

At 31 August 2020 the academy held total reserves of £580,709, comprising unrestricted funds of £228,052 and restricted funds of £352,657. Restricted funds include fixed assets of £1,133,479, less the LGPS pension scheme deficit of £809,000. The remaining balance represents the restricted general fund which amounted to £28,178 and related to funding received in the year which is due to be spent in 2020/21 in accordance with the terms of funding.

At 31 August 2020 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 £809,000 by 31 August 2020, 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.
- For Governors to review management accounts on a monthly basis.

COVID-19 impacted on the school as administrative staff, in line with the early guidance worked from home where they could. However the SBM worked in school and so effective control of financial procedures was maintained and monthly reports completed for Governors scrutiny. These detailed the on-going impact of the pandemic. The largest impact has been on the reduction of trading income from areas such as lettings, clubs, catering and Pre-School. Staff were furloughed where possible and appropriate, in line with guidance. The other impact was the rising cost of provision of extra cleaning, hand sanitisation and PPE. The largest impact is less quantifiable as it relates to the time needed to manage a response to the pandemic which is mainly through senior staff being absorbed with policy and procedure and the communication and monitoring of this. None of this time usage impacts in a positive way on the school and children's outcomes.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

At 31 August 2020 the School held the following reserves.

	2020	2019
Total reserves	580,709	943,488
Add back Pension reserve	809,000	544,000
Less reserves attributable to Fixed assets	(1,133,479)	(1,200,314)
Unrestricted and general restricted funds	256,230	287,174
Less restricted general funds	(28,178)	(57,005)
Free reserves	228,052	230,169

At 31 August 2020 the academy held GAG reserves of £nil.

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 £228,052 at 31 August 2020. 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 £256,230 at 31 August 2020. 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 £86,880. 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.

A discussion has been held with the ESFA financial link to review the use of reserves and the reasons for this as part of 3 year financial planning.

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 is held by a qualified accountant. A new calendar of audit had been set for 2019/20 to provided more timely information to Governors so was set in line with the Governance reporting cycle of November, March, June (so July, September, October to be reported in November, December, January, February in March and March, April, May in June. The first audit took place in November and the two subsequent appointments were cancelled due to COVID-19. The provider can now resume service remotely from Autumn 2020 and a new calendar is in place. Internal audit services were put out to tender alongside external audit in March 2020 however the regulations changed at this time which meant only external services could be bid for as this must now be separate providers.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

The principal risks are deemed to be:

- Variation in pupil numbers
- Disaster recovery
- Staff continuity and succession
- 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

- Development of outside play and sports facilities
- Refurbishment of Year 2 classroom
- Delivery of a 1 to 1 scheme for pupil ICT devices
- Improve lighting in the Pre-School to more energy efficient model
- Improve visitor reception

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 14/12/2020 and signed on its behalf by:



Y Brown

Chair of Governors

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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

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	6	6
Y Brown (Chair of Governors)	6	6
S Lowe	2	6
J Slack (Resigned 30 January 2020)	0	2
L Taylor	4	6
R Battersby-Cornmell	5	6
M Ali	4	6
H Rowan (Accounting Officer)	6	6
C Banks	2	6
M Griffiths	6	6
Mr E Nolan (Vice Chair)	6	6
Mr N Griffiths (Staff Governor)	4	6
B Ghafoor (Appointed 11 June 2020)	1	1
C M Holden (Appointed 11 June 2020)	1	1
M Hussain (Appointed 11 June 2020)	1	1
C L Jackson (Appointed 11 June 2020)	1	1

The Chair and Vice-Chair undertook a Succession Planning exercise, which resulted in the recruitment of 4 new Governors during the year. The Governing Body undertook a performance self-review using "Inspection Coach" in January 2020, which resulted in a grading of Outstanding. Annual Skills Audits for individual Governors were done during the summer term, along with a 360 degree review of the Chair's performance. One main finding of the Skills Audits and Governing Body self-evaluation is that the Governing Body would benefit from the recruitment of someone with strengths in the areas of Finance and Business Management, and this will be a focus for future recruitment. A Governing Body Self-Evaluation Course was booked for June 2020, but had to be cancelled due to the Covid 19 pandemic: this will be re-arranged as soon as the situation allows.

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

During the 2019/20 school year, the Governing Board undertook the following:

- Financial management, budget-setting and monitoring including use of Pupil Premium grant
- Staff performance and pay reviews
- Meeting the requirements for the Schools Resource Management Self-Assessment (SRMSA), and the Academies Financial Handbook
- Building developments/improvements - including finishing off on the kitchen extension, and re-purposing some areas due to Covid 19
- Monitoring of extra spending incurred/reduced income due to Covid 19
- Ensuring compliance with relevant statutory requirements:
 - Health and Safety monitoring
 - Monitoring of cleaning and safety arrangements due to Covid 19
 - Data analysis- attainment and pupil progress
 - Monitoring the school curriculum and extra-curricular activities
 - Monitoring Special Educational Needs provision
 - Monitoring pupil attendance
 - Monitoring pupil behaviour and safety
 - Monitoring child protection and pupil welfare
 - Monitoring of the provision of remote learning due to Covid 19
 - Governor visits to school focused on priorities for school improvement
 - School Improvement Plan/School Self-Evaluation
 - Governing Board development plan, including new Government recruitment
 - Governor training
 - Governor Impact review
 - Improved marketing of the school to increase pupil numbers
 - Support to SLT during Covid 19
 - Development of a strategic plan bringing the vision in line with the new EIF
 - Approval of the academy's annual reports and accounts demonstrating effective financial management
 - The use of Inspection coach leading to a review of governance effectiveness
 - Ensuring compliance with relevant statutory requirements

During the year the Governing Board received information from a number of sources, including the Head Teacher, the School Business Manager and the School Advisor.

Future plans for improvement include:

- Governing Body Self-Evaluation course to be re-scheduled for 2020-21 (was cancelled due to Covid 19)
- Succession planning to continue to look at current and future roles on the Governing Board
- Recruitment of additional Member Governors, and more regular Member Meetings to strengthen the strategic vision for the school
- Consideration of re-structuring of Committee structure to ensure best practice
- Governors to attend relevant training to ensure up-to-date knowledge
- Continued use of Marketing Working Party to improve the marketing of school and increase pupil numbers

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:

BELTHORN ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- 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.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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;
- identification and management of risks.

Egan Roberts Chartered Accountants were appointed as Responsible Officers during the year. A new calendar of audit had been set for 2019/20 to provided more timely information to Governors and was set in line with the Governance reporting cycle of November, March, June (July, September, October to be reported in November, December, January, February in March and March, April, May in June).

The first audit took place in November and the two subsequent appointments were cancelled due to COVID-19. The provider can now resume service remotely from Autumn 2020 and a new calendar has been put in place.

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 2020

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.

14/12/2020

Approved by order of the governing body on and signed on its behalf by:

Yvonne Brown

Y Brown
Chair of Governors

Helen Rowan

H Rowan
Accounting Officer

BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Belthorn Academy Primary School, I have considered my responsibility to notify the academy trust governing body and the Education and 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 2019.

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 2019.

In relation to the review of systems and procedures, an independent reviewer was appointed at the beginning of the year and they carried out a review of systems and procedures for the period June to September 2019. A review was planned for March to cover the period to the end of February for consideration at the March Governor meeting. However, due to the Covid-19 outbreak and the associated restrictions imposed by the government, it was not possible for any further reviews to be undertaken during the year.

In addition, the financial information completed on a monthly basis was not fully compliant with the Academies Financial Handbook 2019. The information provided was a copy of the monthly bank reconciliation and a list of all bank transactions in the period, along with a summary cashflow budget report and a summary of balances and reserves. It therefore did not include the required budget variance report and income and expenditure account. Income and expenditure accounts included comparison to budgets and forecast outturn are included in the termly finance reports prepared for Governors together with detailed narrative explaining performance and factors for consideration. From September 2020 the accounting systems is being reviewed in order that detailed monthly reports can be produced.

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.

Helen Rowan

H Rowan
Accounting Officer

16/12/2020
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BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

14/12/2020

Approved by order of the members of the governing body on and signed on its behalf by:

Yvonne Brown

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 2020

Opinion

We have audited the accounts of Belthorn Academy Primary School for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 2020

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 has 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 2020

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

17/12/2020

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BELTHORN ACADEMY PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 12 August 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Belthorn Academy Primary School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

As noted in the Statement of Regularity, Propriety and Compliance in relation to the review of systems and procedures, due to the Covid-19 outbreak, only one review has been completed in the year, relating to the period June to September 2019. In addition, the financial information completed on a monthly basis was not fully compliant with the Academies Financial Handbook 2019. The information provided was a copy of the monthly bank reconciliation and a list of all bank transactions in the period, along with a summary cashflow budget report and a summary of balances and reserves. It therefore did not include the required budget variance report, and income and expenditure account. The format of the accounts is being reviewed and developed with effect from September 2020 such that the management accounts will be compliant with the Academies Financial Handbook 2020 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

17/12/2020
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BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2020	Total 2019
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	3,781	257	6,306	10,344	25,414
Charitable activities:						
- Funding for educational operations	4	29,590	965,535	-	995,125	984,575
Other trading activities	5	32,390	-	-	32,390	43,608
Investments	6	80	-	-	80	200
Total income and endowments		<u>65,841</u>	<u>965,792</u>	<u>6,306</u>	<u>1,037,939</u>	<u>1,053,797</u>
Expenditure on:						
Raising funds	7	25,597	10,610	-	36,207	35,618
Charitable activities:						
- Educational operations	8	15,071	1,056,490	87,950	1,159,511	1,166,722
Total expenditure	7	<u>40,668</u>	<u>1,067,100</u>	<u>87,950</u>	<u>1,195,718</u>	<u>1,202,340</u>
Net income/(expenditure)		25,173	(101,308)	(81,644)	(157,779)	(148,543)
Transfers between funds		(27,290)	12,481	14,809	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	18	-	(205,000)	-	(205,000)	(163,000)
Net movement in funds		(2,117)	(293,827)	(66,835)	(362,779)	(311,543)
Reconciliation of funds						
Total funds brought forward		<u>230,169</u>	<u>(486,995)</u>	<u>1,200,314</u>	<u>943,488</u>	<u>1,255,031</u>
Total funds carried forward	16	<u>228,052</u>	<u>(780,822)</u>	<u>1,133,479</u>	<u>580,709</u>	<u>943,488</u>

BELTHORN ACADEMY PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		1,133,479		1,200,314
Current assets					
Debtors	13	28,871		28,967	
Cash at bank and in hand		288,470		364,303	
		<u>317,341</u>		<u>393,270</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(61,111)		(106,096)	
Net current assets			256,230		287,174
Net assets excluding pension liability			1,389,709		1,487,488
Defined benefit pension scheme liability	18		(809,000)		(544,000)
Total net assets			<u>580,709</u>		<u>943,488</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,133,479		1,200,314
- Restricted income funds			28,178		57,005
- Pension reserve			(809,000)		(544,000)
Total restricted funds			<u>352,657</u>		<u>713,319</u>
Unrestricted income funds	16		228,052		230,169
Total funds			<u>580,709</u>		<u>943,488</u>

The accounts on pages 25 to 47 were approved by the governors and authorised for issue on 14/12/2020
and are signed on their behalf by:

Yvonne Brown

Y Brown
Chair of Governors

Company Number 07756219

BELTHORN ACADEMY PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash used in operating activities	19		(61,104)		(18,278)
Cash flows from investing activities					
Dividends, interest and rents from investments		80		200	
Capital grants from DfE Group		6,306		15,881	
Purchase of tangible fixed assets		(21,915)		(164,095)	
Proceeds from sale of tangible fixed assets		800		-	
Net cash used in investing activities			(14,729)		(148,014)
Net decrease in cash and cash equivalents in the reporting period			(75,833)		(166,292)
Cash and cash equivalents at beginning of the year			364,303		530,595
Cash and cash equivalents at end of the year			288,470		364,303

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie 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. The governors have considered the impact of the Government response to Covid-19 on the activity of the Academy Trust in terms of both increased costs of compliance with guidelines and catch up in learning and also reduced income. The governors 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 2020

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 2020

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.
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 2020

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 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 based on 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 net income or expenditure 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 2020

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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2020

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 2020 £	Total 2019 £
Capital grants	-	6,306	6,306	15,881
Other donations	3,781	257	4,038	9,533
	<u>3,781</u>	<u>6,563</u>	<u>10,344</u>	<u>25,414</u>

The income from donations and capital grants was £10,344 (2019: £25,414) of which £3,781 was unrestricted (2019: £5,354), £257 was restricted (2019: £4,179) and £6,306 was restricted fixed assets (2019: £15,881).

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	723,995	723,995	723,128
Other DfE / ESFA grants	-	121,914	121,914	86,883
	-	845,909	845,909	810,011
Other government grants				
Local authority grants	-	87,087	87,087	100,566
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	30,040	30,040	-
	-	117,127	117,127	100,566
Other funds				
Other incoming resources	29,590	2,499	32,089	73,998
Total funding	29,590	965,535	995,125	984,575

The income from funding for educational operations was £995,125 (2019: £984,575) of which £29,590 was unrestricted (2019: £64,818) and £965,535 was restricted (2019: £919,757).

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its catering, breakfast & after school club, administration and nursery staff under the government's CJRS. The funding received of £30k relates to staff costs in respect of 11 staff which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	685	-	685	-
Other income	31,705	-	31,705	43,608
	32,390	-	32,390	43,608

The income from other trading activities was £32,390 (2019: £43,608) of which £32,390 was unrestricted (2019: £43,608).

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	80	-	80	200

The income from funding for investment income was £80 (2019: £200) of which £80 was unrestricted (2019: £200).

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	33,122	-	3,085	36,207	35,618
Academy's educational operations					
- Direct costs	619,709	9,201	56,620	685,530	676,252
- Allocated support costs	274,567	147,414	52,000	473,981	490,470
	927,398	156,615	111,705	1,195,718	1,202,340

The expenditure on raising funds was £36,207 (2019: £35,618) of which £25,597 was unrestricted (2019: £35,618) and £10,610 was restricted (2019: £-).

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,260	5,675
- Other services	3,474	2,560
Depreciation of tangible fixed assets	88,750	87,185
Gain on disposal of fixed assets	(800)	-
Net interest on defined benefit pension liability	10,000	8,000

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	-	685,530	685,530	676,252
Support costs				
Educational operations	15,071	458,910	473,981	490,470
	<u>15,071</u>	<u>1,144,440</u>	<u>1,159,511</u>	<u>1,166,722</u>

The expenditure on charitable activities was £1,159,511 (2019: £1,166,722) of which £15,071 was unrestricted (2019: £30,442), £1,056,490 was restricted (2019: £1,049,095) and £87,950 was restricted fixed assets (2019: £87,185).

	2020 £	2019 £
Analysis of support costs		
Support staff costs	274,567	284,519
Depreciation	78,749	77,158
Premises costs	65,047	50,828
Other support costs	45,781	69,740
Governance costs	9,837	8,225
	<u>473,981</u>	<u>490,470</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	676,366	672,724
Social security costs	54,895	55,835
Pension costs	183,171	177,200
	<u>914,432</u>	<u>905,759</u>
Staff costs - employees	914,432	905,759
Agency staff costs	4,221	1,202
Staff restructuring costs	8,745	-
	<u>927,398</u>	<u>906,961</u>

Staff restructuring costs comprise:

Severance payments	8,745	-
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BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	8	8
Administration and support	18	22
Management	3	3
	<u>29</u>	<u>33</u>

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 £185,010 (2019: £164,975).

10 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 £55,000 - £60,000 (2019: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2019: £5,000 - £10,000)

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

- Remuneration £nil (2019: £5,000 - £10,000)
- Employer's pension contributions £nil (2019: £nil - £5,000)

Mr M Griffiths (staff governor)

- Remuneration £20,000 - £25,000 (2019: £20,000 - £25,000)
- Employer's pension contributions £nil - £5,000 (2019: £nil - £5,000)

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

- Remuneration £30,000 - £35,000 (2019: £25,000 - £30,000)
- Employer's pension contributions £5,000 - £10,000 (2019: £nil - £5,000)

Travel and subsistence payments of £103 (2019: £21) were reimbursed to one trustee (2019: one) 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 2020

11 Insurance for governors and officers

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.

12 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2019	1,490,925	94,101	54,018	1,639,044
Additions	12,953	2,446	6,516	21,915
Disposals	-	(2,684)	-	(2,684)
At 31 August 2020	1,503,878	93,863	60,534	1,658,275
Depreciation				
At 1 September 2019	319,022	74,527	45,181	438,730
On disposals	-	(2,684)	-	(2,684)
Charge for the year	73,563	9,201	5,986	88,750
At 31 August 2020	392,585	81,044	51,167	524,796
Net book value				
At 31 August 2020	1,111,293	12,819	9,367	1,133,479
At 31 August 2019	1,171,903	19,574	8,837	1,200,314

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

13 Debtors

	2020 £	2019 £
VAT recoverable	4,770	4,305
Prepayments and accrued income	24,101	24,662
	28,871	28,967

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,899	25,968
Other taxation and social security	12,580	14,024
Other creditors	6,170	6,688
Accruals and deferred income	34,462	59,416
	<u>61,111</u>	<u>106,096</u>

15 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>20,142</u>	<u>17,755</u>
Deferred income at 1 September 2019	17,755	19,148
Released from previous years	(17,755)	(19,148)
Resources deferred in the year	<u>20,142</u>	<u>17,755</u>
Deferred income at 31 August 2020	<u>20,142</u>	<u>17,755</u>

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

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	26,516	723,995	(762,992)	12,481	-
Other DfE / ESFA grants	-	121,914	(118,605)	-	3,309
Other government grants	30,489	117,127	(122,747)	-	24,869
Other restricted funds	-	2,756	(2,756)	-	-
Pension reserve	(544,000)	-	(60,000)	(205,000)	(809,000)
	<u>(486,995)</u>	<u>965,792</u>	<u>(1,067,100)</u>	<u>(192,519)</u>	<u>(780,822)</u>
Restricted fixed asset funds					
Inherited on conversion	798,312	-	(15,276)	-	783,036
DfE group capital grants	230,828	6,306	(41,101)	-	196,033
Capital expenditure from GAG	171,174	-	(31,573)	14,809	154,410
	<u>1,200,314</u>	<u>6,306</u>	<u>(87,950)</u>	<u>14,809</u>	<u>1,133,479</u>
Total restricted funds	<u>713,319</u>	<u>972,098</u>	<u>(1,155,050)</u>	<u>(177,710)</u>	<u>352,657</u>
Unrestricted funds					
General funds	230,169	65,841	(40,668)	(27,290)	228,052
Total funds	<u>943,488</u>	<u>1,037,939</u>	<u>(1,195,718)</u>	<u>(205,000)</u>	<u>580,709</u>

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 2020.

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 £809,000 at 31 August 2020.

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

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	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)
	<u>(123,117)</u>	<u>923,936</u>	<u>(1,049,095)</u>	<u>(238,719)</u>	<u>(486,995)</u>
Restricted fixed asset funds					
Transfer 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
	<u>1,195,899</u>	<u>15,881</u>	<u>(87,185)</u>	<u>75,719</u>	<u>1,200,314</u>
Total restricted funds	<u>1,072,782</u>	<u>939,817</u>	<u>(1,136,280)</u>	<u>(163,000)</u>	<u>713,319</u>
Unrestricted funds					
General funds	<u>182,249</u>	<u>113,980</u>	<u>(66,060)</u>	<u>-</u>	<u>230,169</u>
Total funds	<u>1,255,031</u>	<u>1,053,797</u>	<u>(1,202,340)</u>	<u>(163,000)</u>	<u>943,488</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	1,133,479	1,133,479
Current assets	228,052	89,289	-	317,341
Creditors falling due within one year	-	(61,111)	-	(61,111)
Defined benefit pension liability	-	(809,000)	-	(809,000)
Total net assets	<u>228,052</u>	<u>(780,822)</u>	<u>1,133,479</u>	<u>580,709</u>

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	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

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 £5,295 (2019: £6,049) were payable to the schemes at 31 August 2020 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £65,961 (2019: £47,251).

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 £7,900 in 2019/20 and £10,500 in 2020/21, 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.

Total contributions made	2020 £	2019 £
Employer's contributions	57,000	56,000
Employees' contributions	15,000	15,000
	<hr/>	<hr/>
Total contributions	72,000	71,000
	<hr/>	<hr/>
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	2.4	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.1
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BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	22.3	22.8
- Females	25	25.5
Retiring in 20 years		
- Males	23.8	25.1
- Females	26.8	28.2

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

	2020 '£000	2019 '£000
Discount rate + 0.1%	(41)	(27)
Inflation + 0.1%	41	26
Pay growth + 0.1%	3	5
Mortality assumption + 1 year	57	22

The academy trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	507,000	363,000
Other bonds	77,000	12,000
Cash/liquidity	20,000	14,000
Property	152,000	67,000
Other assets	358,000	304,000
Total market value of assets	1,114,000	760,000

The actual return on scheme assets was £306,000 (2019: £89,000).

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	105,000	85,000
Past service cost	-	41,000
Interest income	(14,000)	(19,000)
Interest cost	24,000	27,000
Benefit changes, curtailments and settlements gains or losses	(2,000)	(1,000)
Administration expenses	2,000	1,000
Total operating charge	115,000	134,000

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	1,304,000
Current service cost	105,000
Interest cost	24,000
Employee contributions	15,000
Actuarial loss	497,000
Benefits paid	(22,000)
At 31 August 2020	1,923,000

Changes in the fair value of the academy trust's share of scheme assets	2020 £
At 1 September 2019	760,000
Interest income	14,000
Actuarial gain	292,000
Employer contributions	57,000
Employee contributions	15,000
Benefits paid	(22,000)
Administration expenses	(2,000)
At 31 August 2020	1,114,000

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(157,779)	(148,543)
Adjusted for:		
Capital grants from DfE and other capital income	(6,306)	(15,881)
Investment income receivable	(80)	(200)
Defined benefit pension costs less contributions payable	50,000	71,000
Defined benefit pension scheme finance cost	10,000	8,000
Depreciation of tangible fixed assets	88,750	87,185
Profit on disposal of fixed assets	(800)	-
Decrease in debtors	96	37,456
(Decrease) in creditors	(44,985)	(57,295)
Net cash used in operating activities	(61,104)	(18,278)

20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	364,303	(75,833)	288,470

21 Contingent liabilities

There were no contingent liabilities as at 31 August 2020 or 31 August 2019.

22 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	592	592
Amounts due in two and five years	789	1,381
	<u>1,381</u>	<u>1,973</u>

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

23 Capital commitments

There were no capital commitments at the current or previous year end.

BELTHORN ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 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 10.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.