

Bishop Rawstorne Church of England Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2016



Bishop Rawstone Church of England Academy Trust

Annual Report and Financial Statements for the year ended 31st August 2016

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Bishop Rawstorne Church of England Academy Trust

Reference and administrative details for the year ended 31st August 2016

Members

Mrs K Cooper
Mrs S Cooper
Mr J P Cowley
Mr A Marston
Mr P Phythian
Mr D Taylor
Mr R Websdell
Blackburn Diocesan Board of Education

Trustees

Mrs S Belfield (appointed 1st January 2016)
The Reverend A J Brown
Mrs K Cooper
Mrs S Cooper
Mrs T Cowell
Mr J P Cowley
Mrs C Dale
Mrs S Dixon
Mrs W Gibbons
Mr S Gregson
Mrs A Haines
Mrs R Howard
Mr J Latham (appointed 1st December 2015)
Mr P Liston-Smith
Mr A Marston
Dr B McGucken (retired 31st October 2015)
Miss E Palmer (appointed 7th October 2015)
Mr P Phythian
Mrs J Rigby (retired 31st August 2016)
Mr D Taylor
Mrs J Ward
Mr R Websdell
The Reverend M Woods (appointed 19th November 2015)

Secretary

Mrs L Hood

Senior Leadership Team

Assistant Headteacher
Headteacher
Assistant Headteacher
Business and Finance Manager
Deputy Headteacher
Assistant Headteacher

Mr P Almond
Mr J P Cowley
Mrs E Gregory
Mrs L Hood
Mr P Rawlinson
Mrs H Winter

Principal and Registered Office

Highfield Road
Croston
Leyland
PR26 9HH

Bishop Rawstorne Church of England Academy Trust

Reference and administrative details for the year ended 31st August 2016 (continued)

Company Registration Number	07672781
Independent Auditor	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW
Bankers	Lloyds Bank PLC Church Street Blackburn BB2 1JQ
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Surveyors	Arcadis 3 Piccadilly Place Manchester M1 3BN

Bishop Rawstorne Church of England Academy Trust

Trustees' Report for the year ended 31st August 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2015 to the 31st August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for students aged 11 to 16 serving a catchment area which includes the five foundation parishes of Bretherton, Croston, Eccleston, Mawdesley with Bispham and Wrightington with Heskin and the named parishes of Appley Bridge, Banks, Douglas in Parbold, Hesketh with Beconsall, Hoole, Leyland St James, Rufford and Tarleton. Students are also drawn from outer parishes depending on the number of applications received. It has a student capacity of 930 and had a roll of 911 in the January 2016 school census.

1. Structure, Governance and Management

1.1 Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of Bishop Rawstorne Church of England Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bishop Rawstorne Church of England Academy Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

1.2 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.

Members of the charitable company are nominated by the trustees. In total the Academy has eight Members. The Articles of Association require the Members of the charitable company to appoint at least four trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

1.3 Trustees' Indemnities

Since the incorporation of the charitable company, the trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 10 to the Financial Statements the limit of this indemnity is £2,000,000.

1.4 Method of Recruitment and Appointment or Election of Trustees

The Members appoint a minimum of eleven trustees of whom:

- I. A minimum of three are appointed by the Diocesan Board of Education;
- II. A minimum of seven are nominated by the Parochial Church Councils; and
- III. The Incumbent shall be a Trustee Ex-Officio.

The proportions of the Governing Body of Bishop Rawstorne C of E Academy are as follows:

- Three Staff Trustees, appointed by the Members through such a process as they may determine. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Staff Trustees.
- One Local Authority (LA) Trustee, appointed by the LA.
- Three Parent Trustees, elected by parents of registered students at the Academy. A Parent Trustee must be a parent of a student at the Academy at the time when he/she is elected. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Parent Trustees. Any election of Parent Trustees which is contested shall be held by secret ballot. Arrangements for the election shall provide,

Bishop Rawstorne Church of England Academy Trust

Trustees' Report for the year ended 31st August 2016 (continued)

for every person entitled to vote, an opportunity by post or, if they prefer, by having his ballot paper returned to the Academy Trust by a registered student at the Academy.

- The Headteacher, treated for all purposes as an Ex Officio Trustee. If the Headteacher chooses not to be a trustee, the position remains vacant.
- One Sponsor Trustee, appointed by the Members.
- One Community Trustee, appointed by the Members.
- Eleven Foundation Trustees, appointed by the Parochial Church Councils of Eccleston, Croston, Wrightington, Bretherton and Mawdesley.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees.

As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual. All trustees receive copies of all minutes and new trustees are invited to all main sub-committee meetings. A named trustee has responsibility for training and trustees are encouraged to access training courses provided by the LA. The Governing Body has a Service Level Agreement with the Lancashire County Council's Governor Services Department. This Agreement allows for any or all of the members of the Governing Body to attend any of the training courses provide by Lancashire County Council. Bespoke courses are provided in house.

1.6 Organisational Structure

The trustees' core responsibilities are to set and agree strategy with the Headteacher, to hold the Headteacher to account for the delivery of that strategy and educational outcomes and to supervise and monitor the financial performance of the Academy ensuring probity and good value for money. The Academy's senior leadership team comprises the Headteacher, the Deputy Headteacher, three Assistant Heads and the Business and Finance Manager. The Headteacher takes the role of Accounting Officer for the trust.

The senior leadership team controls the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the senior leadership team is responsible for the authorisation of spending within agreed budget limits and the appointment of staff. Some spending control is devolved to departmental budget holders, with limits above which a member of the senior leadership team must countersign.

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governing Body has adopted a whole school pay policy which will be reviewed on an annual basis. It has been developed to comply with the current School Teachers' Pay and Conditions Document and is in line with the Guidance on School Teachers' Pay and Conditions. Pay scales for senior staff are set and reviewed in accordance with this policy. Pay decisions are overseen by the Governing Body who will act with integrity, confidentiality, objectivity and honesty in the best interests of the school.

Support staff are covered by the NJC scheme conditions of service and the Academy has adopted the Lancashire County Council's pay and grading structure under the NJC scheme of conditions of service.

Governors are volunteers and receive no pay or remuneration.

1.8 Related Parties and Other Connected Charities and Organisations

Connected to the Academy is an entity called Bishop Rawstorne Church of England International Language College Trust, a charity registered with the Charity Commission whose charity number is 1063725. The objects of this Charity are to assist the furtherance and advancement of the education of the students who attend Bishop Rawstorne Church of England Academy.

Bishop Rawstorne Church of England Academy Trust

Trustees' Report for the year ended 31st August 2016 (continued)

2. Objectives and Activities

2.1 Objects and Aims

'Aspire Believe Achieve'

Unlike other Church of England schools, Bishop Rawstorne is truly a community school with the vast majority of our students being drawn from the main foundation parishes.

It remains our challenge to ensure that the care and support we provide to our students, our nurturing yet challenging environment and the outstanding academic attainment achieved year-on-year continues, to make Bishop Rawstorne the school of choice for parents.

Bishop Rawstorne is committed to developing its students as confident, aspiring and well-rounded young adults fully prepared to make a significant contribution to society.

2.2 Objectives, Strategies and Activities

As a 'converter academy' we exist to advance education in the Chorley area in the county of Lancashire in the Diocese of Blackburn. Our school was the vision of Bishop Rawstorne and we first opened our doors in 1960.

Our initial objective was to ensure a smooth and seamless conversion of the school from foundation to academy status. In doing this the Governing Body determined to maintain the traditional ethos, values, standards and achievements of the school, whilst continuing to work to fulfil the school's medium and longer term development plans.

The aims of the Academy are to provide outstanding education for all in an outstanding Christian Academy.

The main principles being:

- Ensuring staff consistently deliver outstanding Teaching and Learning opportunities.
- Preparing our young people to be outstanding citizens of tomorrow.
- Inspire and motivate staff and students to give the best of themselves.
- To be at the heart of national strategies.
- Further develop our National Teaching School and National Support School status to support, encourage and raise attainment in other schools.
- Continue to develop a curriculum fit for purpose, exciting and motivating to enable our young people to be excited by life-long learning.
- Display self-discipline.
- Foster good behaviour.
- Have pride in ourselves and in our school.
- Embrace new opportunities for students and staff.
- To fully develop the social, moral, spiritual and cultural development of all our young people.

Development Plan, objectives for the academic year 2016/2017:

- Priority one: Teaching and learning, vulnerable groups and AGT
- Priority two: Teaching and learning, assessment
- Priority three: Religious education and worship
- Priority four: Curriculum development

Bishop Rawstorne Church of England Academy Trust

Trustees' Report for the year ended 31st August 2016 (continued)

Community:

- To further develop our links with schools/businesses in the local area and globally, fostering a culture of joint collaboration.
- Encourage further usage of facilities by the community.

Accommodation and resources for learning:

- To continually look at building projects and requirements.
- To continue to look at new funding streams for further development of the site.

2.3 Public Benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Bishop Rawstorne Church of England Academy is the maintenance and development of the high quality Christian education provided by the Academy.

In doing this Bishop Rawstorne Church of England Academy not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities, educational trips, visits and foreign trips are offered and undertaken.

Strategic report

3. Achievements and Performance

- Overall standards continue to remain high. English and Maths grade C or above was 87% (nationally 62%). Our English Baccalaureate (EBacc) score was 46%. (nationally 24%) and progress 8 score was 0.4.
- Standards in the EBacc subjects are high.
- Standards and achievement are high in a number of GCSE option subjects and this is a strength of the school.

To ensure that standards are continually raised, the Academy operates a programme of observation of lessons, is visited by inspectors and undertakes a comparison of results from entry through to Key Stage 3 and GCSE to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

3.1 Key Performance Indicators

The Academy monitors its performance on examination results achieved and Ofsted reports received. It complies with all the terms and conditions of its Funding Agreement with the EFA and manages its reserves in line with the policies set out below.

3.2 Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust 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 Accounting Policies note of the financial statements (note 1).

Bishop Rawstorne Church of England Academy Trust

Trustees' Report for the year ended 31st August 2016 (continued)

4. Financial Review

4.1 Operating and Financial Review

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objectives of the Academy Trust. The GAG received during the year covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

On conversion to academy on the 17th August 2011, all of the fixed assets of the former voluntary aided school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in note 1 to the Financial Statements.

The Academy was awarded a Capital Grant of £373,336 by the DfE from the Condition Improvement Fund (CIF) 2016/2017 for an electrical rewire with lighting replacement scheme. This included an interest-free Salix energy efficiency loan of £68,500 repayable over a period of 8 years. Work on the project commenced in July 2016 and was completed on schedule at the end of August 2016. In accordance with the Charities SORP 2005, the Capital Grant received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

Expenditure for the year covered by this report was covered by the GAG received from the DfE together with other incoming resources. The combined General Restricted Fund and Unrestricted Fund show a cumulative reserve, before the actuarial losses on defined benefit pension schemes, of £753,000. This operating surplus is the result of detailed and accurate budgeting and tight budgetary control procedures which have been firmly embedded in the Academy Trust's daily financial management.

The Academy held revenue fund balances at the 31st August 2016 of £753,000 comprising £290,000 of restricted funds and £463,000 of unrestricted general funds. In addition to this the pension reserve shows a deficit of £1,357,000. Further details of the carry forward balances on each fund can be found in note 15 to the accounts.

The trustees are concerned by the large, increasing deficit that the Local Government Pension Fund is reporting. (See note 25 to the Financial Statements).

4.2 Reserves Policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Under its Funding Agreement with the Secretary of State for Education Bishop Rawstorne Church of England Academy has no carried forward restriction on its reserves at the year end.

The trustees' Staffing and Finance Committee has reviewed these reserve levels and believes that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected emergencies such as urgent maintenance. Under normal circumstances the trustees would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion.

As at the 31st August 2016 the Academy had reserves based upon its GAG of 6.5%.

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Trustees' Report for the year ended 31st August 2016 (continued)

4.3 Investment Policy

Apart from the cash held for the operation of the Academy, Bishop Rawstorne Church of England Academy has no material investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. The main current account held by the Academy is an interest bearing account. The Academy also has a 32 day notice account which attracts a higher interest rate. This account is used when cash balances are high.

4.4 Principal Risks and Uncertainties

The principal risk to the Academy is the maintenance of student numbers as funding is directly related to the number of students on roll. However, the Academy is oversubscribed and there has been no reduction in the number of applications received for 16/17 admissions. In addition, the fact that there has been no drop in the birth rate in the local area and that additional housing has been built nearby means that there is unlikely to be a reduction in the number of students on roll for the foreseeable future.

The trustees have assessed the major risks to which the Academy is exposed. The trustees have implemented a number of systems to assess risks in the operational areas of the Academy and in relation to the control of finance. A Risk Register has been completed and is reviewed annually by the Audit Committee.

The Academy is situated in a rural area with relatively low incidents of vandalism or crime. Historically the grounds have not been securely fenced and at present there is no perceived need for this. However procedures are in place to vet and badge visitors and all staff are conscious of the hazards associated with the bus lay-by in the Academy grounds, which is heavily supervised at the appropriate times.

The continuing existence of the Academy can best be guaranteed by the standards of education in its widest sense, which it provides. This is the preferred school for many families who could easily favour another. Anything less than over subscription could signal the beginning of financial and educational problems. Furthermore the status of the Academy as a Teaching School and School Direct training provider could be endangered by many factors such as government policies leaving it with high staffing costs and reduced income.

Where significant financial risk still remains it is ensured there is adequate cover though the RPA scheme. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

5. Plans for Future Periods

Bishop Rawstorne Church of England Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue to look at the curriculum content to ensure future pathways for students. In particular it will ensure that the English Baccalaureate is available at the heart of our ambitions. The English Baccalaureate was introduced in 2010 and whilst not a qualification in itself, it recognises where students have secured a C grade or better across a core of academic subjects – English, mathematics, history or geography, the sciences and a language.

Bishop Rawstorne Church of England Academy aims to continue to drive regional and national strategies as a National Teaching School and School Direct training provider. The Academy continues to work with alliance schools to develop an Initial Teacher Training model which allows us to train the next generation of outstanding teachers. The Academy is focussed to deliver outstanding teaching and learning through ensuring staff are highly trained and determined to deliver outstanding lessons. It continues in its ambition to raise even further, better outcomes for our students in both terminal examinations and levels of progress. It re-emphasises the total commitment of trustees and leaders to ensure all students have full religious education lessons and a rich Christian educational experience.

The trustees recognise that through outstanding financial management over the past five years they have been able to invest in and improve very significantly the quality of the building environment and the upgrading of many areas of the

Bishop Rawstorne Church of England Academy Trust

Trustees' Report for the year ended 31st August 2016 (continued)

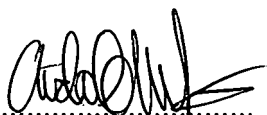
Academy. They have ambitions for this to continue but recognise however, that future plans will be dependent on funding availability. Increases in employers' NI contributions and pension contributions have also had an impact on the funds available for future investments. The trustees also recognise that many classrooms are small and that the intake needs to be at current admission levels unless significant capital funding can be obtained.

6. Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on13/12/16..... and signed on the board's behalf by:



.....
Mr A Marston
Chair of Trustees

Bishop Rawstorne Church of England Academy Trust

7. Governance Statement for the year ended 31st August 2016

7.1 Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Bishop Rawstorne Church of England Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

7.2 Governance

The information on governance included here supplements that described in the Trustee' Report and in the Statement of Trustees' Responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Andrew Marston (Chair)	4	4
Mr Roy Websdell (Vice Chair)	4	4
Mr Paul Cowley (Headteacher)	3	4
Mrs Sian Belfield	1	2
Father Andrew Brown	2	4
Mrs Kathleen Cooper	3	4
Mrs Sheila Cooper	4	4
Mrs Teresa Cowell	4	4
Mrs Carol Dale	3	4
Mrs Suzanne Dixon	4	4
Mrs Wendy Gibbons	4	4
Mr Stephen Gregson	3	4
Mrs Anne Haines	2	4
Mrs Rebecca Howard	3	4
Mr John Latham	2	2
Mr Phil Liston-Smith	1	4
Dr Brian McGucken	0	1
Miss E Palmer	3	3
Mr Paul Phythian	2	4
Mrs Jean Rigby	2	4
Mr David Taylor	4	4
Mrs Joanne Ward	1	4
Reverend Michael Woods	2	3

The last external review of governance took place in March 2015 and the following is a summary of the findings:

The Governing Body of Bishop Rawstorne Church of England Academy Limited is very effective and properly fulfils the responsibilities of governance. Governors are hardworking and the mechanism of governance works well.

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

The relationship between Governance and Management is good. The Academy has a good, clear strategic plan. The Governing Body has a clear Christian ethos which is embedded throughout the academy. There is good evidence of challenge and the headteacher is properly held to account. The finances are properly monitored.

The Governance Committee is a sub-committee of the main governing body. Its purpose is to:

1. Be responsible for the appointment and election processes to recruit new governors to the governing body.
2. Be responsible for the appointment of the Chair and Vice Chair.
3. Annually co-ordinate the membership of each committee.
4. Assign the Nominated Governor roles on an annual basis.
5. Co-ordinate all governing body business (including allocating tasks and functions to individual committees).
6. Finalise the meeting schedule for the year.
7. Oversee and evaluate the annual skills audit and governors' personal reviews.
8. Implement an annual 360 degree appraisal for the chair.
9. Oversee an annual review of the Clerk to Governors.
10. Facilitate appropriate training for all members of the Governing Body.
11. Succession planning for the roles of Chair and Vice Chair.
12. Regularly review the effectiveness of governance at the Academy using self-review and external support as appropriate.

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Andrew Marston (Chair)	5	5
Mr Roy Websdell (Vice Chair)	5	5
Mr Paul Cowley (Headteacher)	5	5
Mrs Sheila Cooper	3	5
Mr Stephen Gregson	4	5

The Finance & Resources Committee is a sub-committee of the main governing body. Its purpose is to:

1.0 FINANCE RESPONSIBILITIES

- 1.1 To provide guidance and assistance to the Headteacher and the governing body on all financial matters.
- 1.2 To recommend to the governing body internal financial regulations on the financial management of the academy, in accordance with guidance issued by the EFA as set out in the Academies Financial Handbook.
- 1.3 To review and approve the three year financial plan, taking into account the priorities of the academy's improvement/development plan and government policy.
- 1.4 To consider budget plans presented by the Headteacher and to make recommendations to the governing body for approval.
- 1.5 To examine budget monitoring reports and investigate and resolve any significant variances on behalf of the governing body.
- 1.6 To approve virements between budget headings where the value is in excess of the sum delegated to the Headteacher under the academy's internal financial regulations.
- 1.7 To review, make recommendations on and approve all finance policies of the academy including those relating to charges, lettings and income.

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

- 1.8 To consider the appropriate level of reserves and balances bearing in mind guidance produced by the Secretary of State.
- 1.9 To consider the annual audited accounts of all funds prior to presentation to the governing body.
- 1.10 To review and approve the Trustees Report to form part of the statutory accounts of the governing body and for filing in accordance with the Companies Act requirements.
- 1.11 To consider audit reports and other relevant reports and make recommendations to the governing body
- 1.12 To consider and advise on any financial matter referred to it by the governing body.
- 1.13 To respond on behalf of the Trustees and governing body to any consultations.

2.0 STAFFING RESPONSIBILITIES

- 2.1 To consider, advise and make appropriate recommendations to the Headteacher on all aspects of HR strategy including policy and procedures.
- 2.2 To ensure that all the procedures relating to the recruitment, selection and appointment of staff are in place and that they are kept under review following any changes in legislation.
- 2.3 To support the Headteacher, where necessary, with the appointment of senior members of staff.
- 2.4 To ensure that consultation is carried out as required (e.g. over pay policy) with all staff or with recognised trade unions.
- 2.5 To check that the arrangements for staff appraisal and performance management are in place and being developed.
- 2.6 To monitor the programme of staff development and training and ensure it meets the needs of the academy development/improvement plan and of the staff.
- 2.7 Review annually the unit total of the academy and the effect, if any, on the ISR.

Note: (The appointment of a Headteacher or Deputy Headteacher is not a function of this Committee. Headteachers cannot take part in the appointment process for their successor).

3.0 PREMISES RESPONSIBILITIES

- 3.1 To consider, advise and make appropriate recommendations to the Headteacher on all aspects of the premises strategy, including statutory policies and procedures.
- 3.2 Monitor the academy's capital expenditure programme to ensure it is on time, on budget and on specification.
- 3.3 Review capital proposals and make recommendations to the governing body.
- 3.4 Ensure all capital acquisitions and disposals accord with the overall strategy.
- 3.5 Ensure the effective use of premises, particularly in relation to utilisation and efficiency.
- 3.6 To receive reports from the agents, SLS (Schools Lettings Solutions) regarding the advertising and letting of the land and buildings out of academy session times.
- 3.7 To ensure that the academy complies with all relevant legislation pertaining to premises.

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Governance Statement for the year ended 31st August 2016 (continued)

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Sheila Cooper (Chair)	3	3
Mrs Sian Belfield	1	1
Father Andrew Brown	1	3
Mrs Kathleen Cooper	2	3
Mr Paul Cowley	2	3
Mrs Wendy Gibbons	2	3
Mr Stephen Gregson	1	3
Mrs Rebecca Howard	2	3
Mr Andrew Marston	3	3
Mrs Jean Rigby	2	3
Mr David Taylor	3	3
Mr Roy Websdell	3	3

The Audit & Risk Management Committee is a sub-committee of the main governing body. Its purpose is to:

1. To have in place a process for checking financial systems, controls, transactions and risks (internal scrutiny)
2. To achieve internal scrutiny which delivers objective and independent assurance.
3. To provide assurance to governors that risks are being adequately identified and managed by:
 - i. reviewing the risks to internal financial control at the Academy
 - ii. agreeing a programme of work to address, and provide assurance on, those risks
4. To consider the governance statement that accompanies the annual accounts and, so far as is possible, provide assurance to the external auditors
5. To consider and advise the governing body on the assessment of overall audit needs
6. To advise the governing body on the appointment and remuneration of external auditors and the scope of their work
7. To guide the external auditor on the nature and scope of the audit as necessary
8. To consider and advise the governing body on external audit reports and management letters
9. To appoint the peer review (if this method is chosen) and set the overall scope of the checks
10. To review reports from the peer review on the effectiveness of the financial procedures and controls
11. To consider and advise the governing body on peer review and internal audit reports
12. To receive and review relevant reports relating to audit such as those prepared by the National Audit Office
13. To prepare an annual report for submission to the governing body on the work of the committee including an opinion on the effectiveness of the internal control system and the pursuit of value for money together with an assurance on risk management

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Paul Phythian (Chair)	2	2
Mrs Carol Dale	2	2
Mrs Suzanne Dixon	1	1
Mrs Anne Haines	1	1
Mr John Latham	1	1
Mr Phil Liston-Smith	0	2
Mrs Joanne Ward	1	2

The Teaching School Committee is a sub-committee of the main governing body. Its purpose is to:

1. Ensure that the Teaching School provision meets the statutory requirements, including those for reporting as set out by the National College for Teaching and Leadership, NCTL.
2. To review the aims of the Teaching School in relation to the NCTL requirements and report to the governing body on progress against Key Performance Indicators.
3. To monitor the successful delivery of the Teaching School remit in line with the Teaching School Action Plan measured against the National College Key Performance Indicators. Focus for development will be on the National College's "Big Six":
 - Initial Teacher Training
 - CPD and Leadership Development
 - Succession planning and talent management
 - School-to-school support
 - Specialist Leaders of Education
 - Research and Development
4. To advise on ways in which governors can be involved in Teaching School aspects of the School Development/Plan for self-evaluation.
5. To prepare or review any Teaching School policy document which is the responsibility of the governing body.
6. To make recommendations to the governing body on designation, de-designation, re-designation, annual review or Teaching School Action Planning arrangements.
7. To consider all the available data provided by the school and its Teaching School Alliance and to set and publish targets within the NCTL-specified time frames.
8. To monitor the impact of Teaching School status upon pupil progress in relation to the targets set and with specific reference to particular groups.
9. To monitor the impact of Teaching School strategic delivery on students' learning.
10. To receive reports, as decided by the whole governing body.
11. To comply with the requirements of the Disability Discrimination Act.

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Stephen Gregson (Chair)	1	1
Mrs Sheila Cooper	0	1
Mrs Teresa Cowell	1	1
Mr Paul Cowley	1	1
Mrs Suzanne Dixon	1	1
Mr Andrew Marston	1	1
Mr Paul Phythian	1	1
Mrs Joanne Ward	1	1
Mr Roy Websdell	1	1

7.3 Review of Value for Money

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

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

PRINCIPLES OF BEST VALUE

The governing body applies the principles of best value:

- | | |
|------------------|--|
| Challenge | - regularly reviewing the functions of the Academy, challenging how and why services are provided and setting targets and performance indicators for improvement. Challenging proposals and examining them for effectiveness, efficiency and cost. |
| Compare | - monitoring outcomes and comparing performance with similar academies |
| Consult | - consulting appropriate stakeholders especially students and parents, about the services which the Academy provides |
| Compete | - securing competition to ensure that goods and services are purchased in the most economic, efficient and effective manner to meet the needs of the Academy. |

APPLICATION OF BEST VALUE PRINCIPLES

Examples of current practices which demonstrate the application of Best Value principles and any planned developments in academy policy and practices to enhance Best Value within the Academy are identified in this statement.

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

Improving educational results:

We have ensured that resources are directed to where they are most needed and most effective in improving outcomes for all students for example by:

- Targeting resources in key areas such as literacy, numeracy and phonics
- Targeting support where it is most needed, for example Pupil Premium and SEN students
- Appointing a senior leader with specific responsibility for intervention
- Focusing on the needs of particular students and ensuring that the support they receive is relevant to them. For example, we identified the need for greater parental engagement and have allocated a Teaching and Learning Responsibility (TLR) with the aim of increasing parents involvement in their child's education, particularly for the 'hard to reach' students.
- Implementing a staff performance management system which ensures staff consistently deliver outstanding Teaching and Learning opportunities
- Introducing a mentoring system for GCSE students
- Further developing our National Teaching School status to support, encourage and raise attainment in other schools and to share good practice. The Academy now has 14 Specialist Leaders of Education (SLEs), a National Leader of Education (NLE) and a National Leader of Governance (NLG).
- developing our status as a School Direct provider of Initial Teacher Training (ITT) and working with our alliance schools and HEI partners to develop an ITT model so that we can train the next generation of outstanding teachers.
- updating our ICT provision by investing in banks of new PCs, a new ICT suite and whiteboards so our students can benefit from the latest technology.
- committing to the growth of Design Technology by investing £470,000 in the refurbishment of the technology block enabling us to adequately prepare our students for the cutting edge world of technology and engaging them in a future of innovation and creativity.

The effectiveness of these strategies is monitored and evidenced in our outstanding GCSE results.

Financial and governance oversight:

The governing body receives regular monitoring reports and is active in its role of challenging robustly. Governors are invited to challenge decisions and ask relevant questions. The work of the Governing Body is further informed by Responsible Officer Reports from CWR Chartered Accountants.

Better purchasing:

Examples of steps taken to ensure value for money during the procurement process include:

- Reviewing all contracts annually
- Adopting a formal tendering process for major purchases of supplies and services
- Requesting references from other schools when contracting with a new supplier
- To use LASBM approved partners where possible
- To collaborate with other schools to obtain further discount on purchases

Income generation:

Income generation potential is maximised by:

- working in partnership with a lettings company to market and manage lettings
- effective marketing and promotion of our new 3G all-weather pitch which is available to the local community to let which will provide a long term income stream to the Academy

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

- using our Teaching School status to deploy our SLEs, NLE and NLG to support other schools
- recruiting trainee teachers to our School Direct programme.

Reviewing controls and managing risks:

An audit and risk committee has been established to regularly review controls and risks to the Academy. Regular budget monitoring reports are issued to budget holders, the Senior Leadership Team and governing body.

Actions taken to manage risk include:

- the Academy is a member of the RPA scheme
- professional expertise is sought for specialist advice where needed

Future Objectives:

- To maintain staffing levels at a maximum of 80% of income
- To introduce further efficiency savings to minimise the effect of increased staffing costs
- To review the Best Value statement at each Autumn Term meeting

7.4 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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 Bishop Rawstorne Church of England Academy Trust for the period from the 1st September 2015 to the 31st August 2016 and up to the date of approval of the annual report and financial statements.

7.5 Capacity to Handle Risk

The Board of Trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from the 1st September 2015 to the 31st August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

Bishop Rawstorne Church of England Academy Trust

Governance Statement for the year ended 31st August 2016 (continued)

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed CWR Chartered Accountants, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the trustees, through the Audit and Risk Management Committee on the operation of the systems of control and on the discharge of the trustees financial responsibilities.

In particular the checks carried out in the current period included:

- general observations
- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of accounting systems including control account / bank reconciliations

The RO function has been fully delivered in line with the EFA's requirements and no material control issues arose as a result of the RO's work.

7.7 Review of Effectiveness

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

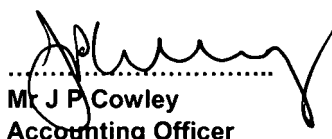
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on13/12/16..... and signed on its behalf by:



Mr A Marston
Chair of Trustees



Mr J P Cowley
Accounting Officer

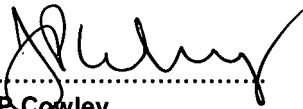
Bishop Rawstorne Church of England Academy Trust

Statement on Regularity, Propriety and Compliance for the year ended 31st August 2016

As Accounting Officer of Bishop Rawstorne Church of England Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

I confirm that I and the Academy Trust Board of Trustees 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 2015.

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



.....
Mr J P Cowley
Accounting Officer

Date: 13/12/16

Bishop Rawstorne Church of England Academy Trust

Statement of Trustees' Responsibilities for the year ended 31st August 2016

The trustees (who act as governors of Bishop Rawstorne Church of England Academy Trust and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction published by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

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

Approved by order of the members of the Board of Trustees on 13/12/16 and signed on its behalf by:



Mr A Marston
Chair of Trustees

Bishop Rawstorne Church of England Academy Trust

Independent Auditor's Report to the Members of Bishop Rawstorne Church of England Academy Trust for the year ended 31st August 2016

We have audited the financial statements of Bishop Rawstorne Church of England Academy Trust for the year ended 31st August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Members those matters we are required to state to them in an 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 Academy Trust and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31st August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(Continued)

Bishop Rawstorne Church of England Academy Trust

Independent Auditor's Report to the Members of Bishop Rawstorne Church of England Academy Trust for the year ended 31st August 2016 (continued)

Matters on which we are required to report by exception

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

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



.....
Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16-12-16

Bishop Rawstorne Church of England Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Bishop Rawstorne Church of England Academy Trust and the Education Funding Agency for the year ended 31st August 2016

In accordance with the terms of our engagement letter dated 31st August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Rawstorne Church of England Academy Trust during the year from 1st September 2015 to 31st August 2016 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 Bishop Rawstorne Church of England Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishop Rawstorne Church of England Academy Trust and EFA 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 Bishop Rawstorne Church of England Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bishop Rawstorne Church of England Academy Trust Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Bishop Rawstorne Church of England Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from the 1st September 2015 to the 31st August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 9.4 of the Academies Accounts Direction 2015 to 2016 issued by EFA; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(Continued)

Bishop Rawstorne Church of England Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Bishop Rawstorne Church of England Academy Trust and the Education Funding Agency for the year ended 31st August 2016 (continued)

Conclusion

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 year from the 1st September 2015 to the 31st August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16-12-16

Bishop Rawstone Church of England Academy Trust

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st August 2016

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	2	6	284	324	614	388
Charitable activities:						
Funding for the Academy Trust's educational operations	5	-	4,294	-	4,294	4,327
Other trading activities	3	173	-	-	173	265
Investments	4	2	-	-	2	2
Total		181	4,578	324	5,083	4,982
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust's educational operations	6,7	84	4,989	76	5,149	5,339
Other		-	-	-	-	-
Total		84	4,989	76	5,149	5,339
Net income/(expenditure)		97	(411)	248	(66)	(357)
Transfers between funds	15	-	324	(324)	-	-
Other recognised gains/(losses)						
Actuarial (losses) on defined benefit pension schemes	15, 25	-	(579)	-	(579)	(37)
Net movement in funds		97	(666)	(76)	(645)	(394)
Funds brought forward at 1 st September 2015	15	366	(401)	8,062	8,027	8,421
Total funds carried forward at 31st August 2016		463	(1,067)	7,986	7,382	8,027

All income and expenditure derive from continuing activities.


The statement of financial activities includes all gains and losses recognised during the year.

Bishop Rawstorne Church of England Academy Trust

Balance Sheet as at 31st August 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	11		7,986		8,062
Current assets					
Debtors	12	419		164	
Cash at bank and in hand		756		1,180	
		<u>1,175</u>		<u>1,344</u>	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(358)</u>		<u>(640)</u>	
Net current assets			<u>817</u>		<u>704</u>
Total assets less current liabilities			8,803		8,766
Creditors: Amounts falling due after more than one year	14		(64)		-
Net assets excluding pension liability			<u>8,739</u>		<u>8,766</u>
Defined benefit pension scheme liability	25		(1,357)		(739)
Net assets including pension liability			<u>7,382</u>		<u>8,027</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	15	7,986		8,062	
General fund	15	290		338	
Pension reserve	15	<u>(1,357)</u>		<u>(739)</u>	
Total restricted funds			6,919		7,661
Unrestricted income funds	15		463		366
Total funds			<u>7,382</u>		<u>8,027</u>

The financial statements on pages 26 to 52 were approved by the trustees, and authorised for issue on 13.12.16 and are signed on their behalf by:



Mr A Marston
Chair of Trustees

Company Limited by Guarantee
Registration Number: 07672781

Bishop Rawstorne Church of England Academy Trust

Statement of Cash Flows for the year ended 31st August 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash (used in) operating activities	19	(819)	(6)
Cash flows from investing activities	21	326	59
Cash flows from financing activities	20	69	-
Change in cash and cash equivalents in the reporting period		<u>(424)</u>	<u>53</u>
Cash and cash equivalents at 1st September 2015		1,180	1,127
Cash and cash equivalents at 31st August 2016	22	<u>756</u>	<u>1,180</u>

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies

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

Basis of Preparation

The financial statements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Bishop Rawstorne Church of England Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Bishop Rawstorne Church of England Academy Trust for the year ended 31st August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 receivable**

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.

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Income (continued)

Grants receivable (continued)

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

- **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 goods or services.

- **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 financial statements until they are sold. This income is recognised within "Income from other trading activities".

Where the donated item is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Expenditure

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

- **Expenditure on raising funds**

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

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific restrictions 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:

Long leasehold buildings	Over 125 year's straight line
Fixtures, fittings and equipment	33% straight line
ICT equipment	33% straight line
Motor Vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

The buildings have been revalued in the period and the comparative accounts restated. The building valuation represents the value of leasehold assets as per the EFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £7,972,000. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 125 year period (note 11).

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

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.

Provisions

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1 Statement of accounting policies (continued)

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Funding Agency/Department for Education.

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 31st March 2013 has been used by the actuary in valuing the pensions liability at 31st August 2016. 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.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
EFA capital grants	-	324	324	90
Trips and other non-public funds	-	284	284	281
Other donations	6	-	6	17
	<u>6</u>	<u>608</u>	<u>614</u>	<u>388</u>

Income from donations and capital grants was £614,000 (2015 - £388,000) of which £6,000 (2015 - £nil) was attributable to unrestricted funds, £284,000 (2015 - £281,000) was attributable to restricted general funds and £324,000 (2015 - £107,000) was attributable to restricted fixed asset funds.

£324,000 (2015 - £90,000) of government grants were received for capital and maintenance works.

3 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	41	-	41	36
Catering income	33	-	33	31
Sale of educational goods and services	5	-	5	13
Supplies of staff	43	-	43	87
Schools Direct Income	51	-	51	69
SCITT Income	-	-	-	29
	<u>173</u>	<u>-</u>	<u>173</u>	<u>265</u>

Income from other trading activities was £173,000 (2015 - £265,000) of which £173,000 (2015 - £265,000) was attributable to unrestricted funds, £nil (2015 - £nil) was attributable to restricted general funds and £nil (2015 - £nil) was attributable to restricted fixed asset funds.

4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

Investment income was £2,000 (2015 - £2,000) of which £2,000 (2015 - £2,000) was attributable to unrestricted funds, £nil (2015 - £nil) was attributable to restricted general funds and £nil (2015 - £nil) was attributable to restricted fixed asset funds.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

5 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,120	4,120	4,184
Other DfE/EFA grants	-	141	141	78
	<u>-</u>	<u>4,261</u>	<u>4,261</u>	<u>4,262</u>
Other Government grants				
Local Authority grants	-	10	10	23
Other government grants	-	23	23	42
	<u>-</u>	<u>33</u>	<u>33</u>	<u>65</u>
Other income from the Academy Trust's educational operations	-	-	-	-
	<u>-</u>	<u>4,294</u>	<u>4,294</u>	<u>4,327</u>

Funding for Academy Trust's educational operations was £4,294,000 (2015 - £4,327,000) of which £nil (2015 - £nil) was attributable to unrestricted funds, £4,294,000 (2015 - £4,325,000) was attributable to restricted general funds and £nil (2015 - £2,000) was attributable to restricted fixed asset funds.

£4,294,000 (2015 - £4,325,000) of government grants were received for the purposes of the day to day running costs of the academy and its charitable objectives.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2016 £000	Total 2015 £000
Expenditure on raising funds	-	-	-	-	-
Academy Trust's educational operations					
Direct costs	3,172	54	645	3,871	3,872
Allocated support costs	454	723	101	1,278	1,467
	<u>3,626</u>	<u>777</u>	<u>746</u>	<u>5,149</u>	<u>5,339</u>

£84,000 (2015 - £361,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £4,989,000 (2015 - £4,865,000) was attributable to restricted general funds and £76,000 (2015 - £113,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2016 £000	2015 £000
Operating lease rentals	25	27
Depreciation	76	79
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy Trust educational operations)	-	-
Fees payable to the auditor for:		
Audit	3	3
Other services	7	7
	<u>111</u>	<u>116</u>

No transactions have taken place under Section 3.1.7 and 3.1.8 of the 2015 Academies Financial Handbook which require additional disclosure.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

7 Charitable activities

		Total 2016 £000	Total 2015 £000
Direct costs – educational operations		3,871	3,872
Support costs – educational operations		<u>1,278</u>	<u>1,467</u>
		5,149	5,339
Analysis of support costs	Educational operations £000	Total 2016 £000	Total 2015 £000
Support staff costs	454	454	436
Depreciation	22	22	23
Premises costs	701	701	887
Other support costs	89	89	108
Governance costs	<u>12</u>	<u>12</u>	<u>13</u>
Total support costs	1,278	1,278	1,467

Included within governance costs are any costs associated with the strategic as opposed to day to day management of the academy's activities. This will include the cost of any administrative support provided to the trustees and costs relating to the statutory requirements including audit and preparation of statutory accounts.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

8 Staff

(a) Staff costs

	2016 £000	2015 £000
Staff costs during the period were:		
Wages and salaries	2,850	2,769
Social security costs	248	210
Operating costs of defined benefit pension schemes	506	429
	<u>3,604</u>	<u>3,408</u>
Supply staff costs	12	52
Staff restructuring costs	10	34
	<u>3,626</u>	<u>3,494</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	10	34
Other restructuring costs	-	-
	<u>10</u>	<u>34</u>

(b) Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £10,000 (2015: £34,000). Individually, the payments were for £10,000.

(c) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full time equivalents, was as follows:

	2016 Number	2016 Full-time equivalent	2015 Number	2015 Full-time equivalent
Teachers	54	52	52	50
Administration and support	31	21	34	22
Management	6	6	6	6
	<u>91</u>	<u>79</u>	<u>92</u>	<u>78</u>

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

8 Staff (continued)

(d) Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
	<u>2</u>	<u>2</u>

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £425,000 (2015: £372,000).

9 Related party transactions - Trustees' remuneration and expenses

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

J P Cowley (Headteacher and trustee):

Remuneration	£85,000 - £90,000 (2015: £80,000 - £85,000)
Employers' pension contributions	£10,000 - £15,000 (2015: £10,000 - £15,000)

C Dale (staff trustee):

Remuneration	£10,000 - £15,000 (2015: £10,000 - £15,000)
Employers' pension contributions	£nil - £5,000 (2015: £nil - £5,000)

W Gibbons (staff trustee)

Remuneration	£10,000 - £15,000 (2015: £10,000 - £15,000)
Employers' pension contributions	£nil - £5,000 (2015: £nil - £5,000)

E Palmer (staff trustee, appointed 7th October 2015):

Remuneration	£35,000 - £40,000 (2015: not appointed as a trustee)
Employers' pension contributions	£5,000 - £10,000 (2015: not appointed as a trustee)

During the year ended 31st August 2016, no travel and subsistence expenses were reimbursed to trustees (2015: £nil).

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

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2016 was £87 (2015: £87). The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost					
At 1 st September 2015	8,102	45	75	27	8,249
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 st August 2016	8,102	45	75	27	8,249
Depreciation					
At 1 st September 2015	65	43	72	7	187
Charged in period	65	2	2	7	76
Disposals	-	-	-	-	-
At 31 st August 2016	130	45	74	14	263
Net book values					
At 31 st August 2015	8,037	2	3	20	8,062
At 31 st August 2016	7,972	-	1	13	7,986

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

12 Debtors

	2016 £000	2015 £000
Trade debtors	49	43
VAT recoverable	42	28
Other debtors	283	40
Prepayments and accrued income	45	53
	<u>419</u>	<u>164</u>

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	53	143
Other taxation and social security	74	60
Other creditors	74	64
Accruals and deferred income	157	373
	<u>358</u>	<u>640</u>

14 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Other creditors	64	-
	<u>64</u>	<u>-</u>

Other creditors relates to a loan received to fund energy efficient projects in the school funded via the EFA Salix scheme with no interest charged on the balance outstanding. The cost of repaying the loan will be offset by the energy cost savings resulting from the works carried out. Loan repayments are made in September and March of each year for the life of the loan.

The total repayable after more than five years is £29,969.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

15 Funds

	Balance at 1 st September 2015 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	310	4,120	(4,488)	324	266
Pupil premium	-	76	(76)	-	-
Other DfE/EFA grants	-	30	(22)	-	8
Local Authority grants	-	10	(10)	-	-
National College grants	28	58	(70)	-	16
Other restricted funds	-	284	(284)	-	-
Pension reserve	(739)	-	(39)	(579)	(1,357)
	<u>(401)</u>	<u>4,578</u>	<u>(4,989)</u>	<u>(255)</u>	<u>(1,067)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	324	-	(324)	-
Other capitalised assets	25	-	(11)	-	14
EFA building valuation	8,037	-	(65)	-	7,972
	<u>8,062</u>	<u>324</u>	<u>(76)</u>	<u>(324)</u>	<u>7,986</u>
Total restricted funds	<u>7,661</u>	<u>4,902</u>	<u>(5,065)</u>	<u>(579)</u>	<u>6,919</u>
Total unrestricted funds	<u>366</u>	<u>181</u>	<u>(84)</u>	<u>-</u>	<u>463</u>
Total funds	<u>8,027</u>	<u>5,083</u>	<u>(5,149)</u>	<u>(579)</u>	<u>7,382</u>

The specific purposes for which the funds are to be applied are as follows:

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2016. At the period end the carry forward of GAG funding was £266,000.

Other DfE/EFA grants include monies received outside of GAG funding for example the Pupil Premium. These funds have been spent in full by the 31st August 2016.

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding. As at the 31st August 2016 these funds had been spent in full.

The National College grants include income received in relation to the Teaching School status the Academy has obtained. Teaching schools give outstanding schools a leading role in the training and professional development of teachers, support staff and headteachers, as well as contributing to the raising of standards through school-to-school support. As at the year end £16,000 of the funding received was unspent.

15 Funds (continued)

Other restricted funds include monies from trips & non public funds. During the period the trips & non public funds had no excess expenditure over income.

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 had risen to £1,357,000 at the 31st August 2016.

DfE/EFA capital grants represent capital monies received during the period from the EFA, predominantly from the Capital Improvement Fund. As at the 31st August 2016 all of these funds had been spent on specific capital projects.

Capitalised assets post conversion represents the value of assets purchased since conversion to academy status. These will be depreciated in line with the accounting policies set out in note 1.

The EFA building valuation represents the value of leasehold assets as per the EFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £7,972,000. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 125 year period.

Unrestricted funds represents funds generated via activities such as from Teaching School / Schools Direct activities, lettings, catering and bank interest receivable. This fund also includes the remaining balance of the surplus on conversion to academy status in 2011 which now stands at £175,000. The surplus on this fund at the period end was £463,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

16 Analysis of net assets between funds

Fund balances at 31st August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,986	7,986
Current assets	463	712	-	1,175
Current liabilities	-	(358)	-	(358)
Non-current liabilities	-	(64)	-	(64)
Pension scheme liability	-	(1,357)	-	(1,357)
Total net assets/(liabilities)	463	(1,067)	7,986	7,382

17 Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	-	-

18 Commitments under operating leases

Operating leases

At 31st August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts due within one year	21	25
Amounts due between one and five years	29	31
Amounts due after five years	-	-
	50	56

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

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

	2016 £000	2015 £000
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)	(66)	(357)
Adjusted for:		
Depreciation (note 11)	76	113
Capital grants from DfE and other capital income	(324)	(109)
Interest receivable (note 4)	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 25)	11	12
Defined benefit pension scheme finance cost (note 25)	28	24
(Increase)/decrease in debtors	(255)	62
Increase/(decrease) in creditors	(287)	251
Net cash provided by/(used in) operating activities	(819)	(6)

20 Cash flows from financing activities

	2016 £000	2015 £000
Repayments of borrowing	-	-
Cash inflows from borrowing	69	-
Net cash provided by/(used in) financing activities	69	-

21 Cash flows from investing activities

	2016 £000	2015 £000
Dividends, interest and rents from investments	2	2
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	-	(52)
Capital grants from DfE/EFA	324	90
Capital funding received from others	-	19
Net cash provided by/(used in) investing activities	326	59

22 Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	756	1,180
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	756	1,180

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

23 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Academy is required to either re-invest the proceeds or to repay the Secretary of State for Education or the Diocese the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

24 Members' Liability

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

25 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 the Lancashire County Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31st March 2012 and of the LGPS 31st March 2013.

Contributions amounting to £7,580 (2015: £7,786) were payable to the schemes at 31st August 2016 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' Pensions Regulations (2010) and, from 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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.

Notes to the Financial Statements for the year ended 31st August 2016

25 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The latest actuarial valuation of the TPS was carried out as at 31st March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1st April 2019.

The pension costs paid to TPS in the period amounted to £605,000 (2015: £520,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 contribution made for the period ended 31st August 2016 was £116,000 (2015: £114,000), of which employer's contributions totalled £89,000 (2015: £87,000), and employees' contributions totalled £27,000 (2015: £27,000). The agreed contribution rates for future years are 15.0% for employers and the rate for employees remains dependent on the salary of the employee.

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

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 st August 2016	At 31 st August 2015
Rate of increase in salaries	3.4%	3.8%
Rate of increase for pensions in payment / inflation	2.0%	2.3%
Discount rate for scheme liabilities	2.2%	4.0%
Inflation assumption (CPI)	1.9%	2.3%
Commutation of pensions to lump sums	50%	50%

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

	At 31 st August 2016	At 31 st August 2015
<i>Retiring today</i>		
Males	23.0	22.9
Females	25.6	25.4
<i>Retiring in 20 years</i>		
Males	25.2	25.1
Females	27.9	27.8

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

	Fair value at 31 st August 2016	Fair value at 31 st August 2015
Equity instruments	422	266
Government Bonds	-	42
Other Bonds	27	20
Property	104	70
Cash	38	10
Other	501	363
Total market value of assets	1,092	771

The actual return on scheme assets was £207,000 (2015: £29,000).

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	98	97
Net interest cost	-	-
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	<u>98</u>	<u>97</u>

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

	2016 £000	2015 £000
At 1st September	1,510	1,297
Current service cost	98	97
Past service cost	-	-
Interest cost	61	52
Employee contributions	26	27
Actuarial loss	754	37
Benefits paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31st August	<u>2,449</u>	<u>1,510</u>

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

	2016 £000	2015 £000
At 1st September	771	631
Interest income	33	28
Return on plan assets (excluding interest income)	-	-
Administrative expenses	(2)	(2)
Actuarial (loss)	175	-
Employer contributions	89	87
Employee contributions	26	27
Benefits paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31st August	<u>1,092</u>	<u>771</u>

26 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at cost and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

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

Bishop Rawstorne Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2016

27 Explanation of transition to FRS102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31st August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1st September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	1 st September 2014 £000	31 st August 2015 £000
Total funds under previous UK GAAP	12,478	12,084
Impairment of leasehold buildings	(4,057)	(4,057)
Total funds reported under FRS102	<u>8,421</u>	<u>8,027</u>

The value of the buildings has been rebased from the insurance valuation to the EFA valuation. The EFA building valuation represents the value of leasehold assets as per the EFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £7,972,000. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 125 year period. Comparative figures have been restated accordingly.

Reconciliation of net income / expenditure	31 st August 2015 £000
Net income / expenditure previously reported under UK GAAP	(345)
Change in recognition of LGPS interest cost	(12)
Employee benefits accrual	-
Net movement in income / expenditure reported under FRS102	<u>(357)</u>

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1st September 2014 or 31st August 2015. The effect of the change has been to increase the debit expense by £12,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.

Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. A small number of employees are entitled to carry forward unused holiday entitlement at the reporting date. The expense in relation to this is wholly immaterial and therefore no retrospective adjustment has been made in the accounts at 31st August 2016.