

Company Registration Number 07733200 (England and Wales)

**Burnley Road Academy**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**  
**Year ended 31 August 2022**

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## **Burnley Road Academy**

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**Burnley Road Academy**  
**Reference and Administrative Details**

**Members**

Mr S Hall  
Mr R Woodhead  
Mr B Mensforth

**Governors**

Mr K Boggis\*  
Mrs C Cope\* (Headteacher)  
Mr R Haynes\*  
Mrs R Holmes (staff governor)  
Mrs A Leggett\*  
Ms C Ainley\*  
Mrs V Walker (staff governor)  
Mrs P Dargan-Makin\* (appointed 29 September 2021)  
Mr S Woodhead\* (appointed 17 January 2022)

\* Members of the Finance Committee

**Senior management team**

Headteacher  
Deputy Headteacher  
SENCO  
Key Stage 1 Leader  
Foundation Stage Leader

Mrs C Cope  
Mrs V Walker  
Mr D Brown  
Mrs V Walker  
Mrs R Holmes

**Company Name**

Burnley Road Academy

**Principal and Registered Office**

Burnley Road  
Mytholmroyd  
Hebden Bridge  
HX7 5DE

**Company Registration Number**

07733200 (England and Wales)

**Burnley Road Academy**  
**Reference and Administrative Details (continued)**

**Independent Auditor**

Gibson Booth Chartered Accountants  
and Statutory Auditors  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

**Bankers**

Yorkshire Bank  
7 Waterhouse Street  
Halifax  
HX1 1XZ

**Solicitors**

Ramsdens LLP  
Oakley House  
1 Hungerford Road  
Huddersfield  
HD3 3AL

## **Burnley Road Academy**

### **Governors' Report**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a Governors' report and a directors' report under company law.

The principal activity is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum; providing free education for pupils of different abilities between the ages of 3 and 11 with an emphasis on high quality teaching and learning.

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors of Burnley Road Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Burnley Road Academy.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the reference and administrative details on page 1.

#### **Members' Liability**

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

#### **Governors' Indemnities**

A Governor may benefit from any indemnity insurance purchased at the academy trust's expense to cover the liability of Governors which by virtue of any law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust.

Governors' liability (which includes Governors of an Academy Trust) is provided within the Risk Protection Arrangement (RPA) from the Department for Education up to a limit of £10,000,000 in any one membership year.

#### **Method of Recruitment and Appointment or Election of Governors**

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms set out in the Articles of Association.

The Academy's Governing Body comprises the Headteacher, up to of 4 Parent Governors, up to 2 Staff Governors and up to 4 other Governors.

The Academy Trust shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 1 LA Governors who are appointed by the Local Authority.
- up to 4 Parent Governors who are elected by parents of registered pupils at the Academy.
- up to 2 Staff Governors appointed by the Governing Body.
- up to 3 Community Governors who are appointed by the Governing Body.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. The Governors who are currently in office and who served during the period are listed on page 1.

#### **Policies and procedures adopted for the induction and training of Governors**

The Academy has a Governor Recruitment, Induction and Training pack available from the Clerk to the Governors.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

The academy subscribes to a Governors' Support Service in Calderdale, which includes training sessions to keep the Governors updated on relevant developments, impacting on their roles and responsibilities.

## **Burnley Road Academy**

### **Governors' Report**

#### **Organisational Structure**

The Board of Governors normally meets at least once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are four committees as follows;

- Finance and Audit Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It incorporates an audit committee and a subgroup that carries out benchmarking.
- Curriculum and Staffing Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Admissions Panel which meets when necessary to deal with all matters relating to admissions.
- Performance management which meets for Headteacher appraisal

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the head teacher and Clerk to the Governors, to approve the Annual School Improvement Plan and budget.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Academy has a leadership structure which consists of the Governors; The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, (also KS2 leader), SENCO, KS1 Leader and FS Leader. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Headteacher, Academy Finance Officer and Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff. Governors form part of the recruitment panel for the Headteacher and the deputy Headteacher.

The Headteacher is the Accounting Officer.

#### **Arrangements for setting pay and remuneration of key management personnel**

The Academy follows traditional government/local authority pay structures and performance management procedures. All staff members are paid on the traditional pay scales in line with the local authority. Staff can move up the pay scales based on performance management and successful outcomes for children.

The Performance Management Committee recommends decisions about the Headteacher's pay. The Headteacher is responsible for other staff performance management and recommendations about increases in pay. The whole governing body makes the final decisions based on the recommendations.

#### **Trade union facility time**

The Academy trust does not employ more than 49 full time equivalent employees therefore we do not provide Trade Union facility time.

#### **Connected Organisations, Including Related Party Relationships**

The Academy has strong collaborative links with the local high school Calder Learning Trust and other local primary schools which form part of the Calder Valley Collaborative.

There are no related parties which either control or significantly influence the decisions and operations of Burnley Road Academy. There are no sponsors; however, we do have an informal Parent Teacher Friends Association (PTFA) associated with the Academy.

Mr R Haynes, a Governor, is a director and has an interest in Fisher & Haynes Ltd, who have carried out building work. Details of these transactions can be found in Note 22.

## **Burnley Road Academy**

### **Governors' Report**

#### **Conflicts of Interest**

The Academy has process in place to manage conflicts of interest including maintaining an up to date register of interests. Interests are taken into account during the day to day management of the academy. Companies connected to trustees or members of staff are only used in best value situations on a non-profit basis.

#### **Objectives, Strategies and Activities**

##### **Aims and Objectives**

The principal object and activity of the Charitable Company is the operation of Burnley Road Academy to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The aims of the Academy during the year ended 31 August 2022 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop pupils as more effective learners.
- to enhance the provision and outcomes for all learners.
- to develop the Academy site so that it enables pupils to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students attaining and exceeding government age related expectations and making good progress.
- to provide value for money for the funds expended.
- to develop the curriculum and to comply with all appropriate statutory and curriculum requirements.
- to develop greater coherence, clarity and effectiveness in school systems.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Burnley Road Academy we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

#### **Objectives, Strategies and Activities**

Key priorities for the year 2022/23 are contained in our Academy Improvement Plan which is available from the Academy Office. Improvement focuses identified for this year include:

- To review the curriculum to ensure it is fit for purpose, creating lesson outlines for each non-core subject.
- To improve the teaching of reading at Key Stage 2 by developing a scheme of work based best pedagogy for the teaching of reading.
- To improve whole school outcomes in writing across school

#### **Public Benefit**

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2022 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Mytholmroyd and the surrounding area. In particular, but without prejudice to the generality of the foregoing, by estimating, maintaining, managing and developing schools, offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. The field is currently used by a local football club.

As an Academy we have a duty to support other schools in our locality cluster. We support these schools through use of our premises and specialist skills in key areas.

## **Burnley Road Academy**

### **Governors' Report**

#### **Strategic Report**

##### **Achievements and Performance**

Ofsted judged the academy as 'Good' in April 2022. This was based on a full, 2 day, Section 5 inspection; with Deep Dives in Reading, Mathematics, History, Science, Early Years and Personal Education. "Pupils study a curriculum that is ambitious, well designed and rewarding. Pupils, from Nursery to those in Year 6, delight in talking about what they have studied and sharing what they have learned." Ofsted April 2022

##### **EYFS**

The Early Years Foundation Stage is very good. The proportion of children leaving our Reception class with the standardised measure GLD was 66%. This was in line with national standards.

##### **Year 1 and 2 Phonics Screening Check**

The proportion of pupils passing the Phonics Screening was above national standards at 85% in Year 1 and 100% in Year 2.

##### **Key Stage 1**

Outcomes in 2022 were above national standards in each area.  
Reading 72.7%, Writing 68.2%, Maths 72.7%.

##### **Key Stage 2**

The majority of children within Key stage 2 make at least expected progress, however the results at the end of Ks2 2022 were lower than national standards. This was due to a number of extenuating circumstances. These included:

- lack of engagement with remote learning during the pandemic lock down periods between March 2020 and March 2021
- high levels of absence due to Covid 19 and public health guidance when we returned to school after the lockdowns
- high levels of staff absence due to an injury
- higher than national levels of SEND within the class
- higher than national levels of deprivation and disadvantage within the class

##### **General**

The Academy has maintained single age classes, with each year group having its own class. All classes have teaching and learning assistants, which are a valuable addition to the classroom.

Our PTFA continue to support school in a Covid Safe manner, suggesting activity days for the children and funding extra resources. Their commitment to the children and Academy is inspirational.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team and the Curriculum Leaders.

The Academy was inspected by OFSTED in April 2022 and was judged to be good.

Continuing professional development for staff has been very successful with all staff taking up some form of training.

The Academy is part of the Calder Valley Cluster of schools that works together on staff development and school improvement. This links to the Calderdale Primary Schools group that work together to achieve school improvement.

##### **Going Concern**

After making appropriate enquiries, the Governing Body 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 Statement of Accounting Policies.

##### **Financial Review**

Most of the Academy's income is obtained from DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year to 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Academies Accounts Direction 2021 to 2022, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.



## **Burnley Road Academy**

### **Governors' Report**

During the year ended 31 August 2022, the total expenditure of £1,503,020 was not covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period was £321,813. Excluding restricted fixed asset funds and pension gain there was a deficit of income of £121,275.

At 31 August 2022 the net book value of fixed assets was £2,109,562 and movement in tangible fixed assets are shown in Note 11 to the financial statements.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 21 to the financial statements.

The assets were used exclusively for providing education and the associated support services to pupils of the Academy.

#### **Reserves Policy**

The Governors 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. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The total funds of the academy are £2,566,968 a breakdown of which can be found in note 15.

The value of free reserves which are available for general purposes as at 31 August 2022 are £159,587 representing 13.4% of total income excluding capital income.

The balance on restricted general funds (excluding pension reserve) plus unrestricted funds is £346,892, this equates to 29.5% of all income excluding capital income.

Excluding the LGPS deficit restricted general funds are £187,305.

The Governors have reviewed the future plans of the Academy. There are no plans in place to set designated reserves.

#### **Investment Policy**

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

#### **Principal risks and uncertainties**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 95.0% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

## **Burnley Road Academy**

### **Governors' Report**

**Reputation** - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that pupil success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**Flooding** – The Academy is working with the DfE and the environment agency to improve flood defences and minimise risk of further losses. The academy buys into the DfE Risk Protection Arrangement so all losses have been covered.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

#### **Financial and risk management objectives and policies**

The Academy has agreed Accounting Policies, a Risk Register and a Debt Recovery Policy. These have been discussed by Governors and include the financial risks to the Academy. The register and policies are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst the Academy is in financial good health, the increased staffing costs due to nationally agreed pay awards, changes in funding arrangements for special educational needs and other increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

#### **Fundraising**

Under the provision of the Charities (Protection and Social Investment) Act 2016, Burnley Road Academy provides the following information on their fundraising practices.

The school works in partnership with a small number of charities both to raise funds for both the school and external charities. The school raises funds through enhanced curriculum activities and all funds raised are through voluntary contributions. The school ensures there is no undue pressure to donate. The school does not exclude any pupils from whole-school activities should no voluntary contribution be made from the family. The school limits the number of fund-raising activities to ensure that the school is not intrusive or persistent in their fundraising approach.

#### **Plans for Future Periods**

As an academy we strive to provide the highest standards of education in a safe, caring environment where everybody feels welcome, respected, and valued and all achievements are recognised. Above all we want our children to enjoy coming to school and to enjoy learning so that they develop the knowledge and skills that will allow them to become the best they can be and live happy and successful lives.

## **Burnley Road Academy**

### **Governors' Report**

This year's school development plan will focus on:

- Improving Ks2 standards compared to 2022 to ensure we meet national standards in all areas
- Developing the teaching of writing to encourage more greater depth writers at Ks1.
- Developing a new reading scheme for to improve comprehension for children in Ks2.
- Reviewing the curriculum to ensure it leads to long term recall in all National Curriculum areas

The Governing Body plans to utilise the majority of existing reserves and any surplus from 2020/21 towards the projects indicated above. Full details of our plans for the future are given in our School Improvement Plan, which is available from the Clerk to the Governors. We plan to maintain single aged classes with teaching assistants in all classes, which will reflect in academic outcomes being improved.

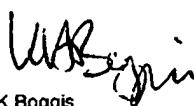
#### **Funds Held as Custodian Governor on Behalf of Others**

There are no funds held on behalf of others.

#### **Statement as to Disclosure of Information to Auditors**

So far as the Governors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Governor has taken all the steps that they ought to have taken as a Governor in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the board of Governors on 6.12.22 and signed on its behalf by:

  
Mr K Boggis  
Chair of Governors

## Burnley Road Academy

### Governance Statement

#### Scope of Responsibility

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

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and the Competency Framework for Governance.

The Board of Governors has delegated the day-to-day responsibility to Mrs Clare Cope, 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 Burnley Road Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 6 times during the period. Attendance during the period at meetings of the governing body was as follows:

#### Attendance at Governing Body Meetings

Name of Governor	Meetings attended	Out of a possible
Mr K Boggis (Chair and Community Governor)	6	6
Mrs C Cope (Headteacher)	6	6
Mr R Haynes (Community Governor)	4	6
Mrs R Holmes (Staff Governor)	3	6
Mrs A Leggett (Community Governor)	4	6
Mrs V Walker (Staff Governor)	6	6
Mrs C Ainley (Parent Governor)	6	6
Mrs P Dargan-Makin (Parent Governor) 29/09/21	3	4
Mr S Woodhead (LA Governor) 17/01/22	2	2

#### Governance Review

The board of Governors has reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating, and managing the Academy's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors.

A skills audit has been carried out. Members have a wide range of skills and experience, and no significant gaps were identified. Another review will be completed in Spring 2023.

#### Review of Value for Money

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the governing body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy has delivered improved value for money during the year by:

- Monitoring standards of education to ensure improving educational results. This is the case in Early Years, Ks1 and for the majority of children in Ks2.
- Agreeing that the academy should employ an Education Welfare service to maintain good attendance, broadly in line with the national average for schools with similar levels of deprivation.
- The accounting officer has monitored the academy plans to ensure adequate provision is in place support and children are working within age related expectations.
- The academy ensures that resources are directed where they are most needed and most effective in supporting pupil attainment and achievement in the following ways.
- The main proportion of funds is used to maintain high quality staffing levels.
- Pupil Premium is used to provide targeted support and individual assistance.
- Additional needs money is used to provide support for pupils with SEND.
- Catch up funding is used to support pupils to close gaps created during the pandemic.
- Support staff provide 1:1 and small group intervention and support to develop literacy and numeracy skills.
- Effective staff to pupil ratios in classes.
- Release time is used for the SEND co-ordinator to arrange and monitor support.
- Sports funding is used to increase opportunities for physical activity, widen the range of activities available, to provide support staff to ensure appropriate levels of safety and for training for teachers and support staff in PE

## **Burnley Road Academy**

### **Governance Statement**

- and games.
- Investment in staff continued professional development (CPD).

The Ofsted report April 2022 and most externally validated data shows the Academy has put in place effective strategies for achieving good outcomes for children.

#### **Financial governance and oversight**

Arrangements include regular monitoring by the Governing Body and its Finance and Audit Committee. Internal Scrutiny is carried out by members of the board. An internal scrutiny report is produced. The committee and full board receive regular reports and provide challenge as recorded in the minutes of meetings. Further scrutiny is provided by the accountant from Calderdale LA and the Responsible Officer (a member of the Governing Body). Governors attend committees based on their skillsets. Budget software is used to forecast for three years.

#### **Effective purchasing**

The Academy always views alternative purchasing options in order to find best value. We make use of our contacts in the local cluster and CPHA to inform our decision-making. A tendering process is used for all major contracts and works. The academy collaborates with local schools to reduce costs where possible, for example in the purchasing of tracking systems. Cost savings are an ongoing consideration.

#### **Income generation**

The Academy explores new ways of income generation for example through additional lettings and an active Parents, Teachers and Friends Association.

### **The Purpose and the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Burnley Road Academy for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

### **The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors;
- regular reviews by Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and appointed Karl Boggis as Responsible Officer (RO). The officer checks budget statements every half term. No significant issues have arisen from the checks. The Governors have bought in the services of a local authority accountant to reconcile financial systems each month.

Three governors have formed an audit group for the purposes of internal scrutiny. They audited aspects of finance. The governing board have monitored other functions within the academy. This information contributed to the internal scrutiny report.

### **Review of Effectiveness**

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

**Burnley Road Academy**

**Governance Statement**

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee and 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 Governors on 6/12/22 and signed on its behalf by:

  
Mr K Boggis  
Chair of Governors

  
Mrs C Cope  
Accounting Officer

## **Burnley Road Academy**

### **Statement of Regularity, Propriety and Compliance**

As accounting officer of Burnley Road Academy, I have considered my responsibility to notify the academy trust GB and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2021.

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 Governors and ESFA.

Mrs C Cope  
Accounting Officer



## Burnley Road Academy

### Statement of Governors' Responsibilities

The Governors (who act as Governors of Burnley Road Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting 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 business

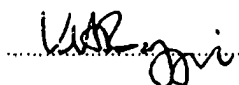
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 Governors 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 of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Governors on 6.12.22 and signed on its behalf by:

Mr K Boggis  
Chair of Governors





## **Burnley Road Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Burnley Road Academy**

#### **Opinion**

We have audited the financial statements of Burnley Road Academy ("the academy trust") for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education Funding Agency.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The governors are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Burnley Road Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Burnley Road Academy**

#### **Matters on which we are required to report by exception**

In light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Respective responsibilities of Governors**

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the Governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the academy trusts ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011 and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the audit procedures performed included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing the appropriateness of journal entries;
- testing of purchase invoice authorisations.
- testing of grant funding
- testing of credit card transactions

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

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

## **Burnley Road Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Burnley Road Academy**

#### **Use of our report**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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.

*ART Russell*

Alistair Russell FCA  
For and on behalf of  
Gibson Booth Chartered Accountants  
and Statutory Auditors  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

14/12/22

## **Burnley Road Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Burnley Road Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 3 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Burnley Road Academy during the period from 1 September 2021 to 31 August 2022 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 Burnley Road Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Burnley Road Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Burnley Road Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Burnley Road Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Burnley Road Academy's funding agreement with the Secretary of State for Education dated 1 July 2014 and the Academies Financial Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the period from 1 September 2021 to 31 August 2022 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 2021 to 2022 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- an initial risk assessment, the results of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion;
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

#### **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 period from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Gibson Booth Chartered Accountants  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

14/12/22

# Burnley Road Academy


## Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	Note	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	6,358	6,358	17,136
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	3	7,774	1,124,814	-	1,132,588	1,217,581
Other trading activities	4	23,977	17,061	-	41,038	121,695
Investments	5	1,223	-	-	1,223	-
<b>Total</b>		<u>32,974</u>	<u>1,141,875</u>	<u>6,358</u>	<u>1,181,207</u>	<u>1,356,412</u>
<b>Expenditure on:</b>						
Raising funds		1,195	-	-	1,195	3,131
<b>Charitable activities:</b>						
Academy trust educational operations	7	18,920	1,403,009	79,896	1,501,825	1,435,562
<b>Total</b>	6	<u>20,115</u>	<u>1,403,009</u>	<u>79,896</u>	<u>1,503,020</u>	<u>1,438,693</u>
<b>Net income / (expenditure)</b>		12,859	(261,134)	(73,538)	(321,813)	(82,281)
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension schemes	15,21	-	1,042,000	-	1,042,000	64,000
<b>Net movement in funds</b>		12,859	780,866	(73,538)	720,187	(18,281)
<b>Reconciliation of funds</b>						
Total funds brought forward		146,728	(547,561)	2,247,614	1,846,781	1,865,062
<b>Total funds carried forward</b>		<u>159,587</u>	<u>233,305</u>	<u>2,174,076</u>	<u>2,566,968</u>	<u>1,846,781</u>

**Burnley Road Academy**  
**Balance Sheet as at 31 August 2022**

		2022	2021
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	11	<u>2,109,562</u>	<u>2,204,357</u>
		2,109,562	2,204,357
<b>Current assets</b>			
Stock	12	3,652	2,001
Debtors	13	50,695	134,581
Cash at bank and in hand		<u>425,857</u>	<u>455,178</u>
		480,004	591,758
Creditors: Amounts falling due within one year	14	<u>(68,598)</u>	<u>(94,334)</u>
<b>Net current assets</b>		<u>411,406</u>	<u>497,424</u>
<b>Total assets less current liabilities</b>		2,520,968	2,701,781
<b>Net assets excluding pension liability</b>		<u>2,520,968</u>	<u>2,701,781</u>
Defined benefit pension scheme asset / (liability)	21	<u>46,000</u>	<u>(855,000)</u>
<b>Total assets</b>		<u>2,566,968</u>	<u>1,846,781</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	15	2,174,076	2,247,614
Restricted income fund	15	187,305	307,439
Pension reserve	15	<u>46,000</u>	<u>(855,000)</u>
<b>Total restricted funds</b>		2,407,381	1,700,053
<b>Unrestricted income funds</b>	15	<u>159,587</u>	<u>146,728</u>
<b>Total funds</b>		<u>2,566,968</u>	<u>1,846,781</u>

The financial statements on pages 19 to 38 were approved by the trustees, and authorised for issue on 6.12.22 and are signed on their behalf by:



Mr K Boggis  
Chair of Governors

**Burnley Road Academy**

**Statement of Cash Flows for the year ended 31 August 2022**

		2022	2021
	Note	£	£
<b>Cash flows from operating activities</b>			
Net cash (used in) / provided by operating activities	18	(51,999)	264,324
<b>Cash flows from investing activities</b>			
Interest receivable		1,222	-
Proceeds from sale of tangible fixed assets		20,000	
Purchase of tangible fixed assets		(5,100)	(18,356)
Capital grants from DfE/EFSA		6,358	6,676
Other capital grants		-	10,460
		<u>22,480</u>	<u>(1,220)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(29,519)</u>	<u>263,104</u>
<b>Cash and cash equivalents at 1 September 2021</b>		455,176	192,072
<b>Cash and cash equivalents at the 31 August 2022</b>		<u>425,657</u>	<u>455,176</u>

## **Burnley Road Academy**

### **Notes to the Financial Statements for the period ended 31 August 2022**

#### **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 uncertainty, 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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Burnley Road Academy meets the definition of a public benefit entity under FRS 102.

##### **Going Concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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 the goods or services.

##### **Donated goods, facilities and services**

Where the donated good 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.



## **Burnley Road Academy**

### **Notes to the Financial Statements for the period ended 31 August 2022**

#### **1 Statement of Accounting Policies (continued)**

##### **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.

##### **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.

##### **Tangible Fixed Assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Land occupied under licence	Nil
Buildings occupied under licence	2% straight line
Fixtures, fittings and equipment	15% straight line
ICT hardware	33% 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.

##### **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.

##### **Leased Assets**

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

## **Burnley Road Academy**

### **Notes to the Financial Statements for the period ended 31 August 2022**

#### **1 Statement of Accounting Policies (continued)**

##### **Stock**

Unsold book bags and water bottles are valued at the lower of cost or net realisable value.

##### **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.

##### **Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

##### **Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors.

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

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

## **Burnley Road Academy**

### **Notes to the Financial Statements for the period ended 31 August 2022**

#### **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 21, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible assets, and accounting policies for the depreciation rates used for each class of assets.

##### *Critical areas of judgement*

No significant judgements have been made in the process of applying the entity's policies.

# **Burnley Road Academy**

## **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

### **2 Donations and capital grants**

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
DfE/ESFA capital grants	-	6,358	6,358
Other capital grants	-	-	-
	<u>-</u>	<u>6,358</u>	<u>6,358</u>
	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£
DfE/ESFA capital grants	-	6,676	6,676
Other capital grants	-	10,460	10,460
	<u>-</u>	<u>17,136</u>	<u>17,136</u>

### **3 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
<b>DfE / ESFA grants</b>			
General Annual Grant (GAG)	-	831,423	831,423
Pupil premium	-	86,220	86,220
Teachers' pay grant	-	1,375	1,375
Teachers' pension grant	-	3,886	3,886
UFSM	-	18,457	18,457
Rates grant	-	3,430	3,430
PE grant	-	18,290	18,290
COVID grant	-	-	-
	<u>-</u>	<u>963,081</u>	<u>963,081</u>
<b>Other Government grants</b>			
SEN funding	-	72,960	72,960
Early years funding	-	88,173	88,173
	<u>-</u>	<u>161,133</u>	<u>161,133</u>
Other income from the academy trust's educational operations	7,774	600	8,374
	<u>7,774</u>	<u>1,124,814</u>	<u>1,132,588</u>
	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£
<b>DfE / ESFA grants</b>			
General Annual Grant (GAG)	-	883,560	883,560
Pupil premium	-	84,946	84,946
Teachers' pay grant	-	30,890	30,890
Teachers' pension grant	-	10,933	10,933
UFSM	-	22,230	22,230
Rates grant	-	3,430	3,430
PE grant	-	17,970	17,970
COVID grant	-	(103)	(103)
	<u>-</u>	<u>1,053,856</u>	<u>1,053,856</u>
<b>Other Government grants</b>			
SEN funding	-	55,693	55,693
Early years funding	-	106,682	106,682
	<u>-</u>	<u>162,375</u>	<u>162,375</u>
Other income from the academy trust's educational operations	1,350	-	1,350
	<u>1,350</u>	<u>1,216,231</u>	<u>1,217,581</u>

# **Burnley Road Academy**

## **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

### **4 Other trading activities**

	Unrestricted Funds	Restricted Funds	2022
	£	£	£
Catering	-	17,061	17,061
Insurance income	11,731	-	11,731
Nursery fees	3,643	-	3,643
Other income	8,603	-	8,603
	<u>23,977</u>	<u>17,061</u>	<u>41,038</u>

	Unrestricted Funds	Restricted Funds	2021
	£	£	£
Catering	-	11,672	11,672
Insurance income	100,272	-	100,272
Nursery fees	2,026	-	2,026
Other income	7,725	-	7,725
	<u>110,023</u>	<u>11,672</u>	<u>121,695</u>

### **5 Investment income**

	Unrestricted Funds	Total 2022	Unrestricted Funds	Total 2021
	£	£	£	£
Bank interest receivable	1,223	1,223	-	-
	<u>1,223</u>	<u>1,223</u>	<u>-</u>	<u>-</u>

# Burnley Road Academy

## Notes to the Financial Statements for the year ended 31 August 2022 (continued)

### 6 Expenditure

	Staff Costs	Non Pay Expenditure	Total
		Premises	Other
	£	£	£
Expenditure on raising funds	-	-	1,195
Academy's educational operations:			
Direct costs	881,253	-	50,404
Allocated support costs	305,557	142,632	121,979
	<u>1,186,810</u>	<u>142,632</u>	<u>1,503,020</u>

	Staff Costs	Non Pay Expenditure	Total
		Premises	Other
	£	£	£
Expenditure on raising funds	-	-	3,131
Academy's educational operations:			
Direct costs	816,647	-	32,220
Allocated support costs	266,724	203,234	116,737
	<u>1,083,371</u>	<u>203,234</u>	<u>1,438,693</u>

Net income/(expenditure) for the period includes:

	2022	2021
	£	£
Operating lease rentals	7,872	5,660
Depreciation	52,730	63,116
Loss on disposal of fixed assets	27,166	-
Fees payable to auditor for:		
- audit	4,000	4,000
- other services	950	950

### 7 Charitable Activities

	Unrestricted	Restricted	Total
	Funds	Funds	2022
	£	£	£
Direct costs – educational operations	8,646	923,011	931,657
Support costs – educational operations	10,274	559,894	570,168
	<u>18,920</u>	<u>1,482,905</u>	<u>1,501,825</u>

	Unrestricted	Restricted	Total
	Funds	Funds	2021
	£	£	£
Direct costs – educational operations	3,573	845,294	848,867
Support costs – educational operations	99,008	487,687	586,695
	<u>102,581</u>	<u>1,332,981</u>	<u>1,435,562</u>

# **Burnley Road Academy**

## **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

### **7 Charitable Activities (continued)**

	2022	2021
	£	£
<b>Analysis of support costs</b>		
Support staff costs	305,557	266,724
Premises costs	142,632	203,234
Other support costs	116,509	111,787
Governance costs	5,470	4,950
	<u>570,168</u>	<u>586,695</u>

### **8 Staff**

#### **a. Staff costs**

Staff costs during the period were:

	2022	2021
	£	£
Wages and salaries	809,058	752,423
Social security costs	58,187	53,714
Operating costs of defined benefit pension schemes	287,190	248,705
	<u>1,154,435</u>	<u>1,054,842</u>
Supply staff costs	32,375	28,529
	<u>1,186,810</u>	<u>1,083,371</u>

#### **b. Staff numbers**

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

	2022	2021
	No.	No.
Teachers	8	9
Administration and support	37	35
Management	4	4
	<u>49</u>	<u>48</u>

## Burnley Road Academy

### Notes to the Financial Statements for the year ended 31 August 2022 (continued)

#### 8 Staff (continued)

##### d Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	<u>1</u>	<u>1</u>

##### e Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team at each academy as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £260,256 (2021: £222,716).

#### 9 Related Party Transactions - Governors' Remuneration and Expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of governors' remuneration and other benefits was as follows:

##### C Cope (headteacher and governor):

- Remuneration £65,000 - £70,000 (2021: £60,000 - £65,000)
- Employer's pension contributions paid £15,000 - £20,000 (2021: £15,000 - £20,000)

##### R Homes (staff governor):

- Remuneration £40,000 - £45,000 (2021: £40,000 - £45,000)
- Employer's pension contributions paid £10,000 - £15,000 (2021: £10,000 - £15,000)

##### V Walker (staff governor):

- Remuneration £45,000 - £50,000 (2021: £45,000 - £50,000)
- Employer's pension contributions paid £10,000 - £15,000 (2021: £10,000 - £15,000)

During the year ended 31 August 2022 travel and subsistence expenses totalling £nil (2021: £nil) were reimbursed to no governors.

Other related party transactions involving the governors are set out in note 22.

#### 10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost but is not separately identifiable.



# Burnley Road Academy

## Notes to the Financial Statements for the year ended 31 August 2022 (continued)

### 11 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2021	2,390,682	417,419	35,277	2,843,378
Additions	2,340	2,760	-	5,100
Disposals	(47,166)	-	-	(47,166)
At 31 August 2022	<u>2,345,856</u>	<u>420,179</u>	<u>35,277</u>	<u>2,801,312</u>
<b>Depreciation</b>				
At 1 September 2021	237,493	388,860	12,668	639,021
Charged in year	25,647	17,297	9,785	52,729
At 31 August 2022	<u>263,140</u>	<u>406,157</u>	<u>22,453</u>	<u>691,750</u>
<b>Net book values</b>				
At 31 August 2022	<u>2,082,716</u>	<u>14,022</u>	<u>12,824</u>	<u>2,109,562</u>
At 31 August 2021	<u>2,153,189</u>	<u>28,559</u>	<u>22,609</u>	<u>2,204,357</u>

### 12 Stock

	2022	2021
	£	£
Water bottles and book bags	3,652	2,001
	<u>3,652</u>	<u>2,001</u>

### 13 Debtors

	2022	2021
	£	£
VAT recoverable	2,708	9,376
Prepayments and accrued income	47,987	125,205
	<u>50,695</u>	<u>134,581</u>

### 14 Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	504
Other creditors	5,254	5,254
Accruals and deferred income	63,344	88,576
	<u>68,598</u>	<u>94,334</u>

#### Deferred income

	2022	2021
	£	£
Deferred income at 1 September 2021	50,606	52,730
Released from previous years	(50,606)	(52,730)
Resources deferred in the year	25,813	50,606
Deferred Income at 31 August 2022	<u>25,813</u>	<u>50,606</u>

Deferred income at the year end included:

- Universal Free School Meals funding received in advance £10,952 (2021: £12,968)
- Early years funding grant received in advance £12,089 (2021: £36,884)
- Other DfE/EFA grants received in advance £2,001 (2021: £nil)
- Other income received in advance £771 (2021: £754)

**Burnley Road Academy**

**Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

**15 Funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	260,088	831,423	(951,557)	-	139,954
Pupil Premium	-	86,220	(86,220)	-	-
Other DfE/EFA grants	3,431	46,038	(46,038)	-	3,431
SEN funding	-	72,960	(72,960)	-	-
Other restricted funds	43,920	88,173	(88,173)	-	43,920
Catering	-	17,061	(17,061)	-	-
Pension reserve	(855,000)	-	(141,000)	1,042,000	46,000
	<u>(547,561)</u>	<u>1,141,875</u>	<u>(1,403,009)</u>	<u>1,042,000</u>	<u>233,305</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	187,321	6,358	(18,417)	-	175,262
Assets inherited on conversion	1,945,079	-	(48,031)	-	1,897,048
Capital expenditure from GAG	37,687	-	(3,984)	-	33,703
Other capital grants	10,460	-	(3,487)	-	6,973
Expenditure from other funds	67,067	-	(5,977)	-	61,090
	<u>2,247,614</u>	<u>6,358</u>	<u>(79,896)</u>	<u>-</u>	<u>2,174,076</u>
<b>Total restricted funds</b>	<u>1,700,053</u>	<u>1,148,233</u>	<u>(1,482,905)</u>	<u>1,042,000</u>	<u>2,407,381</u>
<b>Total unrestricted funds</b>	<u>146,728</u>	<u>32,974</u>	<u>(20,115)</u>	<u>-</u>	<u>159,587</u>
<b>Total funds</b>	<u>1,846,781</u>	<u>1,181,207</u>	<u>(1,503,020)</u>	<u>1,042,000</u>	<u>2,566,968</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 trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

The other restricted general funds relate to grants and other income receivable from the DfE, EFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book values of donated fixed assets and assets purchased out of income from other sources which are held for the continuing use of the academy trust.

**Burnley Road Academy**  
**Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

**15 Funds (continued)**

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	192,050	883,560	(815,522)	-	260,088
Pupil Premium	-	84,946	(84,946)	-	-
Other DfE/EFA grants	3,431	85,350	(85,350)	-	3,431
SEN funding	-	55,693	(55,693)	-	-
Other restricted funds	43,920	106,682	(106,682)	-	43,920
Catering	-	11,672	(11,672)	-	-
Pension reserve	(809,000)	-	(110,000)	64,000	(855,000)
	<u>(569,599)</u>	<u>1,227,903</u>	<u>(1,269,865)</u>	<u>64,000</u>	<u>(547,561)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	207,743	6,676	(27,098)	-	187,321
Assets inherited on conversion	1,965,945	-	(20,866)	-	1,945,079
Capital expenditure from GAG	43,747	-	(6,060)	-	37,687
Other capital grants	-	10,460	-	-	10,460
Expenditure from other funds	76,159	-	(9,092)	-	67,067
	<u>2,293,594</u>	<u>17,136</u>	<u>(63,116)</u>	<u>-</u>	<u>2,247,614</u>
<b>Total restricted funds</b>	<u>1,723,995</u>	<u>1,245,039</u>	<u>(1,332,981)</u>	<u>64,000</u>	<u>1,700,053</u>
<b>Total unrestricted funds</b>	<u>141,067</u>	<u>111,373</u>	<u>(105,712)</u>	<u>-</u>	<u>146,728</u>
<b>Total funds</b>	<u>1,865,062</u>	<u>1,356,412</u>	<u>(1,438,693)</u>	<u>64,000</u>	<u>1,846,781</u>

**16 Analysis of Net Assets between Funds**

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fixed assets	-	-	2,109,562	2,109,562
Current assets	159,587	255,904	64,513	480,004
Current liabilities	-	(68,598)	-	(68,598)
Pension scheme liability	-	46,000	-	46,000
Total net assets	<u>159,587</u>	<u>233,305</u>	<u>2,174,076</u>	<u>2,566,968</u>

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fixed assets	-	-	2,204,357	2,204,357
Current assets	146,728	401,773	43,257	591,758
Current liabilities	-	(94,334)	-	(94,334)
Pension scheme liability	-	(855,000)	-	(855,000)
Total net assets	<u>146,728</u>	<u>(547,561)</u>	<u>2,247,614</u>	<u>1,846,781</u>

**17 Commitments under operating leases**

At 31 August 2022 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	4,693	7,872
Amounts due between one and five years	10,326	15,019
	<u>15,019</u>	<u>22,891</u>

# **Burnley Road Academy**

## **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

### **18 Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities**

	2022 £	2021 £
Net expenditure for the reporting period	(321,813)	(82,281)
Adjusted for:		
Depreciation charges (note 11)	52,730	63,116
Loss on disposal of fixed assets	27,166	-
Capital grants from DfE and other capital income (note 2)	(6,358)	(17,136)
Interest receivable (note 5)	(1,223)	-
Defined benefit pension scheme cost less contributions payable (note 23)	127,000	97,000
Defined benefit pension scheme finance cost (note 23)	14,000	13,000
(Increase) / Decrease in stocks	(1,651)	872
Decrease in debtors	83,886	368,142
Decrease in creditors	(25,736)	(178,389)
Net cash provided by / (used in) Operating Activities	<u>(51,999)</u>	<u>264,324</u>

### **19 Analysis of changes in net debt**

	01 Sep 21 £	Cash flows £	31 Aug 22 £
Cash	<u>455,176</u>	<u>(29,519)</u>	<u>425,657</u>
Total	<u>455,176</u>	<u>(29,519)</u>	<u>425,657</u>

### **20 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.

## **Burnley Road Academy**

### **Notes to the Financial Statements for the period ended 31 August 2022 (continued)**

#### **21 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 West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2024.

The pension costs paid to TPS in the period amounted to £101,102 (2021: £102,705).

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

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

## Burnley Road Academy

### Notes to the Financial Statements for the year ended 31 August 2022 (continued)

#### 21 Pension and Similar Obligations (continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2022 was £73,000 (2021: £66,000), of which employer's contributions totalled £55,000 (2021: £49,000) and employees' contributions totalled £18,000 (2021: £17,000). The agreed contribution rates for future years are 18.0% for employers and between 5.50% and 12.50% for employees depending on earnings.

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

Principal Actuarial Assumptions	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.05%	3.95%
Rate of increase for pensions in payment/inflation	2.80%	2.70%
Discount rate for scheme liabilities	4.10%	1.70%
Inflation assumption (CPI)	2.80%	2.70%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.8	21.9
Females	24.6	24.7
<i>Retiring in 20 years</i>		
Males	22.5	22.6
Females	25.7	25.8

Sensitivity analysis on defined benefit obligations	At 31 August 2022 £	At 31 August 2021 £
Discount rate +0.1%	1,544,000	2,350,000
Discount rate -0.1%	1,614,000	2,456,000
Mortality assumption - 1 year increase	1,533,000	2,312,000
Mortality assumption - 1 year decrease	1,625,000	2,497,000
CPI rate +0.1%	1,584,000	2,410,000
CPI rate -0.1%	1,574,000	2,396,000

# **Burnley Road Academy**

## **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

### **21 Pension and Similar Obligations (continued)**

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2022	Fair value at 31 August 2021
	£	£
Equity instruments	1,299,000	1,241,000
Bonds	174,000	192,000
Property	63,000	59,000
Other	89,000	56,000
Total market value of assets	<u>1,625,000</u>	<u>1,548,000</u>
Present value of scheme liabilities		
- funded	<u>(1,579,000)</u>	<u>(2,403,000)</u>
Asset / (Deficit) in scheme	<u>46,000</u>	<u>(855,000)</u>

The actual return on scheme assets was £19,000 (2021: £285,000).

### **Amounts recognised in the statement of financial activities**

	2022	2021
	£	£
Current and past service cost	182,000	146,000
Net interest cost	<u>14,000</u>	<u>13,000</u>
Total operating charge	<u>196,000</u>	<u>159,000</u>

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

	2022	2021
	£	£
At 1 September	2,403,000	2,034,000
Current service cost	182,000	146,000
Interest cost	41,000	34,000
Employee contributions	18,000	17,000
Actuarial (gain) / loss	(1,050,000)	200,000
Benefits paid	<u>(15,000)</u>	<u>(28,000)</u>
At 31 August	<u>1,579,000</u>	<u>2,403,000</u>

### **Changes in the fair value of academy's share of scheme assets:**

	2022	2021
	£	£
At 1 September	1,548,000	1,225,000
Return on plan assets (excluding net interest on the net defined pension liability)	27,000	21,000
Actuarial gain / (loss)	(8,000)	264,000
Employer contributions	55,000	49,000
Employee contributions	18,000	17,000
Benefits paid	<u>(15,000)</u>	<u>(28,000)</u>
At 31 August	<u>1,625,000</u>	<u>1,548,000</u>

## **Burnley Road Academy**

### **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

#### **22 Related Party Transactions**

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

Fisher & Haynes Limited - a company in which R Haynes is a director. The trust made purchases of £1,000 (2021: £765) in relation to building works. There was £5,322 (2021: £5,254) outstanding at the year end in relation to a snagging retention.

All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.