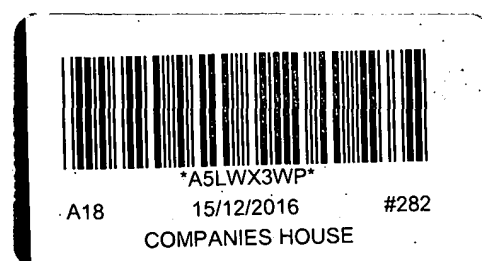


**Burton Morewood Church of England
Primary School**
(Company Limited by Guarantee)

Financial Statements for the Year Ended

31 August 2016

Company Registration Number: 07788628



BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2016

THE MEMBERS

The Members of the company during the period were as follows:

Mr John Long
Mr Michael Fishwick
Mr John Gaskins
The Carlisle Diocesan Board of Finance

THE TRUSTEES

The trustees who served the company during the period were as follows:

Mr John Long*
Revd Graham Burrows
Mr Michael Carr*
Mrs Rachel Graham
Mr Michael Fishwick*
Mr Andy Barker
Mr John Gaskins*
Mrs Joanne Dugdale
Mr George Isherwood
Mrs Sue Woodburn*
Mr Steve Thexton*
Mr Richard Wilson*
Mrs Tracy Wren
Mrs Christine Barker

* indicates member of Resources Committee

Mr John Long resigned as the Chairman on 5th October 2015 and was replaced by Mr Michael Fishwick. Mr John Long also retired as a Governor and a Member at the end of July 2016.

Mr Andy Barker will replace him as a Member.

Mrs Rachel Graham resigned as a Governor on 8th July 2016 and will be replaced by Mrs Judith Fisher in September 2016.

Mrs Allison Head was appointed on 3rd October 2016 as a parent governor.

Senior Management Team

Mrs Sue Woodburn	Headteacher
Mr Steve Thexton	Deputy Headteacher
Mr Richard Wilson	Assistant Headteacher

Principal & Registered office

Burton Morewood Church of England Primary School
Main Street, Burton in Kendal, Carnforth, Cumbria, LA6 1ND

Company Registration Number 07788628

Company Secretary Helen Derrick

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2016

Independent Auditors

Saint & Co, Chartered Accountants & Statutory Auditors
The Old Police Station, Church Street, Ambleside, Cumbria,
LA22 0BT

Bank

HSBC
64 Highgate, Kendal, Cumbria. LA9 4TF

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2016

The governors present their report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2016. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors of Burton Morewood Church of England Primary School Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Burton Morewood Church of England Primary School.

Details of the Governors who served during the year 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 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 cease to be a member.

Governors' Indemnities

The Governors of the Academy are covered by indemnity insurance paid for by the trust.

Governors Recruitment and Appointment

The Governors are directors of the charitable company for the purposes of the Companies Act 1985 and trustees for the purposes of charity legislation.

The governors who were in office at 31 August 2016 and served throughout the year, except where shown, are listed on page 1.

During the year under review the governors held 3 Full Governor meetings.

Arrangements to appoint new trustees are detailed in the articles of association.

- Up to 3 Governors appointed by members
- Foundation Governors, up to no more than 25% of the board
- 1 LA Governor, appointed by the LA
- 3 Staff Governors, elected by staff employed by the Academy Trust at the time of the election from amongst their number, provided that the total number of Governors (including the Head) who are employees of the Academy Trust does not exceed one third of the total number of

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

Governors. The Governing Body shall take all steps as are reasonably practical to ensure that all staff employed at the Academy at the time are informed of the vacancy, informed they are entitled to stand as a candidate and vote at the election and given the opportunity to do so.

- A minimum of 4 Parent Governors elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. Any election of Parent Governors which is contested shall be held by secret ballot. The Governing Body shall take all steps as are reasonably practical to ensure that all parents of a registered pupil at the Academy is informed of the vacancy, informed they are entitled to stand as a candidate and vote at the election and given the opportunity to do so.
- The Head Teacher shall be treated for all purposes as being an ex officio Governor.
- The Academy Trust may also have Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

Policies and Procedures for the Recruitment and Induction of Governors

All new Trustees joining the academy trust complete an induction programme, including receipt of company documentation and a meeting with the Chair of Governors and Head Teacher.

Organisational Structure

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

The Senior Managers are the Head, the Deputy Head and the Assistant Head. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

All pay arrangements are carried out in line with Cumbria County Council Teachers Model Pay Policy 2015. Pay progression for all staff, including senior managers, follows the Appraisal Policy which was reviewed in October 2015. The Head Teacher Appraisal is carried out with Governors and an external advisor.

Related Parties and other Connected Charities and Organisations

The South Lakes Rural Partnership consists of approximately 30 primary schools and 6 secondary schools across the South Lakes area. The partnership exists to work collaboratively to the benefit of all those within its member organisations, to meet this end in a sustainable way and to deliver those objects in a positive and proactive way, taking affirmative actions.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Burton Morewood Church of England Primary School to provide education for pupils of mixed abilities between the ages of 5 and 11.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Academy commenced its charitable activities on 1 October 2011.

The Academy's main strategy is encompassed in its mission statement which is 'In this Church of England Academy we hope that our connections with the Church and our Christian ethos will be evident to all who come within our walls. We intend that it will guide not only the religious aspects of the day but will become a firm foundation for the whole life of the school. We want the children of our school, as they grow physically and mentally, to also grow socially and spiritually so gaining real respect for themselves, for each other, and indeed, for the whole of this exciting world in which we all live.'

To this end the aims of the school are to provide:

- Equal opportunities for every child to develop their full potential enabling them to leave our school well prepared for the next stage of their educational, social and spiritual development;
- A curriculum which is broad and well balanced, responsive to the needs of the individual child and relevant to the wider world;
- A staff who are committed, motivated, caring and able to meet the school curriculum requirements;
- Resources that match the needs of the children and the school as fully as possible, Communications with parents which are open, effective and timely.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

Public Benefit

In setting objectives and planning activities the governors have given consideration to the Charity Commission's general guidance on public benefit. The public benefit is providing education in accordance with the Principal Activities detailed above, and additionally in providing access to school facilities to local community groups and adult education

STRATEGIC REPORT

Achievements and Performance

The Academy has successfully completed its fifth period of operation.

Through a successful CIF bid the school kitchen has been completely refurbished. Also, as part of this CIF project, the school now has new boilers that should help further with energy efficiency savings and also future proof the schools heating and hot water supplies.

The school has also replaced a number of windows and doors.

Total students on roll in the period ended 31st August 2016 was 174.

The year ending 31st August 2016 saw large scale change and challenge in the area of Primary Assessment. Although disappointed with the number of children that met the new tougher national standard we are pleased to report that our progress measures were good.

To ensure that standards are continually raised, the Academy: operates a programme of observation of lessons; is visited by inspectors and outside agencies; undertakes a comparison of results from entry to Key Stage Two to assess the Value Added. The Academy also participates in national programmes looking at added value through the Key Stages.

In Partnership with the University of Cumbria, the Academy continues to successfully run the School Direct teaching programme. A further eight teachers were trained in the period ending 31st August 2016.

The Academy was appointed a National Teaching School in April 2016. Managers and staff are working hard to provide a range of support, in the form of CPD, mentoring and School-to-School support for schools in our alliance and local area. The Academy has also set up links with a Teaching School Alliance in Hackney, London.

Key Performance Indicators

During the period September 2015 to August 2016 we have not been subject to Inspections by either OFSTED or The Church of England.

Both of our Inspection results (Ofsted 2014 and SIAMS 2015) are currently Outstanding.

KS2 data for the period was disappointing, but came after a period of great national change.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

Our Reading and Maths results were below national at 50 and 57 percent respectively. Writing results were one percentage point below the national at 73.

Results at KS1 were more pleasing, operating well above the national in all areas.

Phonics was a particular achievement and resulted in a letter from Nick Gibb, Minister for Education, congratulating us.

Attendance for the period was 95.6%

We were delighted to welcome 25 new children into our Reception class in September 2015. During the period we also welcomed another 10 children into our school that joined us from other schools.

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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

Financial Report for the Period

Most of the School's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2016, total restricted general expenditure of £911,086 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of restricted general income over expenditure for the year was £6,953 before the defined pension benefit scheme movement.

At 31 August 2016 the net book value of fixed assets was £1,444,771 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The academy's current level of unrestricted reserves is £2,156 which consists entirely of designated School Funds.

Restricted reserves include fixed assets funds of £1,643,822 and a restricted general funds deficit of £112,857. This includes the Local Governments Pension Scheme liability of £254,000 the General Annual Grant of £102,270, and the Condition Improvement Grant for the replacement boiler and the kitchen refurbishment of £193,116

Reserves Policy

The governors, via the work of their Finance Committee, regularly monitor on-going and projected levels of reserve, ensuring these are adequate for the continued operation of the academy. This monitoring process takes into account shifts in local and national funding policies and developments as well as material expenditure requirements.

Funds in deficit is also included in the Funds note in the Financial statements (note 16)

Investment Policy

The Governors aim to ensure value for money when considering investment decisions whilst exercising caution and ensuring security of funds takes precedence over revenue maximization

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 of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school 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 school grounds) and internal financial controls (see below) 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 following statement

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to improve the provision of 'quality experiences' to all members of the school community. A robust School Development Plan is in place.

The main area identified for improvement is restructuring of our Early Years and Keys Stage One spaces to provide better quality internal and external learning environments.

The Academy is also continuing its drive to improve attendance across all year groups and will be holding a School Open Day to showcase the Academy to prospective new parents during the coming term. Attendance for the period ending 31st August 2016 was 96%.

Our Teaching School will operate for the first year, delivering on all areas of the 'Big 6'. School Direct will operate a fourth cohort in the period 2016-17 with 12 trainee teachers joining our school.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2016

AUDITOR

In so far as the governors are aware:

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

The auditors, Saint & Co, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the governors was approved by the governors and signed on their behalf by:

Michael Fishwick (Chair)  Date 5/12/16

Registered Office:
Burton Morewood Church of England Primary School
Main Street
Burton in Kendal
Cumbria
LA6 1ND

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2016

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the 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 Burton Morewood Church of England Primary School and the Secretary of State for Education. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
Mr John Long (Chair 1)	3	3
Revd Graham Burrows	3	3
Mr Michael Carr	2	3
Mrs Rachel Graham	1	3
Mr Michael Fishwick (Chair 2)	3	3
Mr Andy Barker	3	3
Mr John Gaskins	3	3
Mrs Joanne Dugdale	3	3
Mr George Isherwood	1	3
Mrs Sue Woodburn (Head & Accounting Officer)	3	3
Mr Steve Thexton	3	3
Mr Richard Wilson	3	3
Mrs Christine Barker	3	3

As part of the Ofsted inspection in July 2014, an assessment was made of Governor effectiveness and the following was said in their report:

'Finances are effectively managed to give pupils and staff a safe, secure and vibrant school building which is generally well resourced. The value of spending decisions is checked and governors sanction pay progression for staff only when it is proved that their work has added to the pupils education'.

And 'The grant for supporting pupils known to be eligible for additional funding through pupil premium is spent wisely to enable pupils in receipt of it to access all parts of the curriculum and to catch up academically if they need to.'

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT *(continued)*

YEAR TO 31 AUGUST 2016

Governance Review

A review of governance utilising OFSTEDs "Effective Governance Criteria" has been undertaken during 2015/16 by Governors. This review by the Chair of Governors, Chair of Resources and Chair of Curriculum/Personnel, found that governance was generally at least sound with many areas demonstrating strong governance. Areas for improvement seeking to maintain the strong characteristics and move other aspects into that category have been identified and an action plan, including follow up and review mechanisms, is being developed.

The Resources Committee is a sub-committee of the main governing body and has formally met 5 times. Its purpose is to review the School's financial statements, closely monitor budget performance and ensure the effectiveness of internal finance and control systems, review health & safety management and site maintenance, and direct strategy for capital investment in line with School's priorities.

Governor	Meetings attended	Out of a possible
Mr John Long	5	5
Mr Michael Carr	5	5
Mr Michael Fishwick	3	5
Mr John Gaskins (Chair)	5	5
Mrs Sue Woodburn (Head & Accounting Officer)	5	5
Mr Steve Thexton	5	5
Mr Richard Wilson	5	5

Review of Value for Money

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

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

- Welcoming the concept and principles underpinning Good Value and actively pursuing these throughout all the services it provides or uses.
- Providing quality services at an acceptable cost. It is not simply the lowest cost or the highest quality. It is a question of finding the right balance of the Good Value for the price people are prepared to pay.
- Seeking continuous improvements in service, costs and quality

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT *(continued)*

YEAR TO 31 AUGUST 2016

The principles underpinning this and to which Burton Morewood School subscribe can be summarised as follows:

Duty

Delivery or Best Value will represent:-

- A balance between cost and quality.
- Economical, efficient and effective service delivery.
- Continuous improvement.

Service Reviews

There is a requirement for ongoing service reviews. The reviews will include four key elements:

- **Challenge** Is the service needed? Are there better ways to achieve the objectives?
- **Compare** Benchmarking and dialogue with users and potential suppliers.
- **Consult** Aims of the service, targets and means of delivery.
- **Compete** Is service delivery competitive? Are more efficient and effective means of delivery available?

Performance Targets

- All services to have performance targets, some of these will be set nationally and others agreed and set locally.
- The targets will cover efficiency and economy as well as quality.
- The targets are to be challenging and reflect continuous improvement.

The progress of the annual budget plan and this statement will be monitored with the school improvement plan in order to determine the extent of continuous improvement. This monitoring will be undertaken by the Finance Sub Committee half termly.

During 2015-2016, the Finance Sub Committee focused on :

1. Developing financial plans to cover the 3 year period of 2016-17, 2017-18 and 2018-2019, with regards to the projected fall in Numbers on Roll. This is to ensure that the Academy remains in a healthy financial position.
2. Continue to work within agreed timescales as outlined on the Maintenance and Property Development Plan.
3. Capital plans and requirements in respect of the kitchen, boilers and future infrastructure needs.
4. Review of internal costs and charging.

Standards have continued to improve resulting in a very successful Ofsted in July 2014 which deemed us to be Outstanding in all areas.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT *(continued)*

YEAR TO 31 AUGUST 2016

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School 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 Burton Morewood Church of England Primary School for the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the period ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Buildings 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 has decided not to appoint an internal auditor. However, the governors appointed Nicola Carruthers of Queen Elizabeth School Kirkby Lonsdale, as Responsible Officer ('RO') for the last financial year. The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis, the RO tested the systems and discussed with the company secretary the operation of the systems of control and the discharge of the Governing Body's financial responsibilities.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT *(continued)*

YEAR TO 31 AUGUST 2016

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Finance Director at Queen Elizabeth School, Kirkby Lonsdale who assists the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body and signed on its behalf by:



Michael Fishwick (Chair)



Sue Woodburn (Accounting Officer)

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

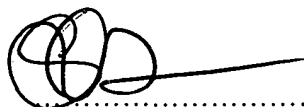
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR TO 31 AUGUST 2016

As accounting officer of Burton Morewood Church of England Primary School I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify and material irregularity or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and Academies Financial Handbook 2015.

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



.....
Sue Woodburn
Accounting Officer

1/12/16Date

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

YEAR TO 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Accounts Direction 2015 to 2016
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 29/11/16..... and signed on its behalf by:



Michael Fishwick

Chair of Governors

5/12/16.....Date

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Burton Morewood Church of England Primary School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's governors 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 company and the company's governors as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Governors' Responsibilities Statement, the governors (who are also the directors of Burton Morewood Church of England Primary School for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF
BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL**

YEAR ENDED 31 AUGUST 2016

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Mr Ian Thompson (Senior Statutory Auditor)

For and on behalf of
Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: 8/12/16

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 31 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Burton Morewood Church of England Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Burton Morewood Church of England Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Burton Morewood Church of England Primary School's funding agreement with the Secretary of State for Education dated 30 September 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON REGULARITY BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL
AND THE EDUCATION FUNDING AGENCY**

YEAR ENDED 31 AUGUST 2016

The work undertaken to draw our conclusion includes:

- the Financial Management & Governance Evaluation (FMGE) was obtained and the EFA evaluation considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual payments for staff have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governor's declaration of interests.

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



Mr Ian Thompson (Reporting Accountant)

For and on behalf of
Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: 8/12/16

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2016

(Including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	Total 2015
	Note	£	£	£	£	£
Income and Endowments from:						
Donations and capital grants	3		20,308	527,157	547,465	8,893
Transfer from local authority on conversion					-	
Charitable activities:						
Funding for the academy trust's educational operations	4	20,623	897,731		918,354	994,677
Other trading activities	5	2,448			2,448	1,250
Investments	6				-	
Total		<u>23,071</u>	<u>918,039</u>	<u>527,157</u>	<u>1,468,267</u>	<u>1,004,820</u>
Expenditure on:						
Raising Funds	7	-	-		-	-
Charitable activities:						
Academy trust educational operations	8	18,874	911,086	388,789	1,318,749	924,159
Other					-	
Total		<u>18,874</u>	<u>911,086</u>	<u>388,789</u>	<u>1,318,749</u>	<u>924,159</u>
Net income / (expenditure)		4,197	6,953	138,368	149,518	80,661
Transfer between Funds		(5,859)	2,177	3,682	-	-
Other Recognised gains / (losses):						
Actuarial loss in respect of defined benefit pension schemes			(107,000)		(107,000)	(6,000)
Net Movement in Funds		<u>(1,662)</u>	<u>(97,870)</u>	<u>142,050</u>	<u>42,518</u>	<u>74,661</u>
Reconciliation of Funds						
Total funds brought forward		3,818	(14,987)	1,501,772	1,490,603	1,415,942
Total Funds carried Forward		<u>2,156</u>	<u>(112,857)</u>	<u>1,643,822</u>	<u>1,533,121</u>	<u>1,490,603</u>

All of the academy's activities derive from continuing operations during the above two financial periods.


BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2016

Balance Sheet

	Note	2016 £	2016 £	2015 £	2015 £
Fixed Assets					
Tangible assets	12		1,444,771		1,495,600
Current assets					
Stocks	13	240		240	
Debtors	14	65,072		24,238	
Cash at bank and in hand		<u>608,872</u>		<u>188,021</u>	
		674,184		212,499	
Liabilities					
Creditors: Amounts falling due within one year	15	(331,834)		(86,496)	
Net current assets			342,350		126,003
Total Assets less Current Liabilities			<u>1,787,121</u>		<u>1,621,603</u>
Net Assets excluding pension liability					
Defined benefit pension scheme liability	20		(254,000)		(131,000)
Total net assets			<u>1,533,121</u>		<u>1,490,603</u>
Funds of the academy trust:					
Restricted Funds:					
Fixed Asset fund	16		1,643,822		1,501,772
Restricted income Fund	16	141,143			116,013
Pension reserve	16	<u>(254,000)</u>			(131,000)
Total restricted funds			(112,857)		(14,987)
Unrestricted income funds	16		2,156		3,818
Total funds			<u>1,533,121</u>		<u>1,490,603</u>

The financial statements on pages 22 to 49 were approved by the trustees, and authorised for issue on 29/11/16 and are signed on their behalf by:

 Michael Fishwick

Company number 07788628

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENTS OF CASHFLOWS FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Cashflows	2016 £	2015 £	
Reconciliation of net income / (expenditure) to net cashflow from operating activities			
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	149,518	80,661	
<i>Adjusted for:</i>			
Interest receivable	-	-	
Depreciation	60,683	58,219	
EFA Capital Grants	(527,157)	(6,171)	
<i>Other Capital Grants</i>	-	-	
Decrease in stocks	-	-	
(Increase)/Decrease in debtors	(40,834)	10,929	
(Decrease)/Increase in creditors	245,338	(36,787)	
Defined benefit pension scheme net finance costs	5,000	5,000	
Defined benefit pension scheme costs less contributions payable.	11,000	7,000	
Net cash inflow / (outflow) from operating activities	(96,452)	118,851	
Cashflows from investing activities			
Receipts from sale of tangible fixed assets			
Payments to acquire tangible fixed assets	(9,854)	(9,395)	
EFA Capital Grants	527,157	6,171	
Other capital funding received	-	-	
Interest received	-	-	
Net cash provided by / (used in) investing activities	517,303	-	
Cashflows from financing activities			
	-	-	
Net cash provided by / (used in) financing activities	-	-	
Decrease (increase) in cash in the year	420,851	118,851	
Reconciliation of Net cash Flow to Movement in Net Funds			
	2016 £	2015 £	
(Decrease) / Increase in cash in the period	420,851	118,851	
Change in net funds	420,851	118,851	
Cash and cash equivalents at 1 September 2015	191,246	72,395	
Cash and cash equivalents at 31 August 2016	612,097	191,246	
	01/09/2015	Cash Flows	31/08/2016
Analysis of cash and cash equivalents	£	£	£
Cash in hand and at bank	188,021	420,851	608,872

Company Registration number 07788628

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. Statement of Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted) judgements and key sources of estimation 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 Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Burton Morewood Church of England Primary School meets the definition of a public benefit entity under FRS 102.

First Time Adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in notes

Going Concern

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

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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Accounting Policies (continued)

- **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.

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

Where the donated 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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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 the 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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1000 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 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 asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Plant and Machinery – straight line over economic life (ranging from 11 to 26 years)
- Information communications and technology equipment – 25% straight line
- Long Leasehold Buildings – straight line over economic life (ranging from 31 to 55 years)
- Furniture and Equipment – 10% straight line
- Land (on which the school buildings are situated) used under an agreement with the Carlisle Diocesan Board of Finance Limited is not depreciated here as there is no arrangement termination date.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Accounting Policies (continued)

All assets have been depreciated for 12 months except land used under an agreement with the Carlisle Diocesan Board of Finance Limited noted above

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees

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

Provisions

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

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

Leased Assets

Rentals under operating leases are depreciated straight line over the lease term.

Stock

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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, benefits charges, 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 trustees.

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

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

Critical accounting estimates and areas of judgment

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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Accounting Policies (continued)

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 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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has **not** exceeded these limits during the year ended 31 August 2016

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

3 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
EFA Capital grants			5,935	5,935	6,171
EFA Condition Improvement Grant			521,222	521,222	-
Other Capital grants			-	-	-
Donated fixed assets			-	-	-
Other donations		20,308		20,308	2,722
	-	20,308	527,157	547,465	8,893
2015 Total	-	2,722	6,171	8,893	

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
DfE / EFA grants					
General Annual Grant (GAG)		681,910		681,910	752,366
Pupil Premium		21,557		21,557	27,039
UIFSM		25,128		25,128	21,632
Other DfE / EFA grants		12,225		12,225	15,253
	-	740,820	-	740,820	816,290
Other Government grants					
Local Authority grants		67,731		67,731	27,841
Teaching School		25,000		25,000	-
Other government grants		-		-	3,000
	-	92,731	-	92,731	30,841
Other income from the academy trust's educational operations					
School Funds	2,244			2,244	3,363
School Trips		10,110		10,110	23,038
Schools Direct		26,625		26,625	59,659
Catering	18,379			18,379	19,393
Other Educational Income		27,445		27,445	42,093
	20,623	64,180	-	84,803	147,546
	20,623	897,731	-	918,354	994,677
2015 Total	22,756	971,921	-	994,677	

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

5 Other trading activities

	Unrestricted Funds £	Restricted Funds	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Hire of facilities	2,448			2,448	1,250
	<u>2,448</u>	<u>-</u>	<u>-</u>	<u>2,448</u>	<u>1,250</u>
2015 Total	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	

6 Investment Income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Short term deposits	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2015 Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure

Raising Funds - Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Lettings	-	-	-	-	-
	-	-	-	-	-
2015 Total	-	-	-	-	-

Net income / (expenditure) for the period includes:

	2016 £	2015 £
Operating lease rentals		
Depreciation	60,683	58,219
(Gain) / loss on disposal of fixed assets		
Fees payable to auditor for:		
audit	5,140	4,765
other services	1,290	755

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

8 Charitable Activities

	Staff costs £	Non Pay Expenditure Premises £	Other £	2016 £	2015 £
Expenditure on Raising Funds	-	-	-	-	-
Academy's Educational Operations					
Direct Costs	635,550	42,214	67,591	745,355	678,245
Allocated Support Costs	112,104	385,613	75,677	573,394	245,914
	<u>747,654</u>	<u>427,827</u>	<u>143,268</u>	<u>1,318,749</u>	<u>924,159</u>
2015 Total	<u>675,662</u>	<u>105,334</u>	<u>143,163</u>	<u>924,159</u>	

Analysis of Educational Activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Depreciation	-	42,214	42,214	46,575
Teaching and Educational support staff costs	-	635,550	635,550	575,442
Educational supplies	-	26,015	26,015	10,299
Staff training	-	5,698	5,698	12,611
Educational consultancy	-	8,885	8,885	6,197
Other direct costs	-	26,993	26,993	27,121
Total Direct costs	<u>-</u>	<u>745,355</u>	<u>745,355</u>	<u>678,245</u>

Analysis of support costs

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Depreciation		18,469	18,469	11,644
Support staff costs	9,118	102,986	112,104	100,220
maintenance of premises and equipment		341,703	341,703	21,969
rates and water		7,877	7,877	8,672
heat light & power		9,605	9,605	8,801
Insurance		7,959	7,959	7,673
Technology costs		3,465	3,465	3,792
Catering	5,850	7,149	12,999	13,285
Other support costs		8,450	8,450	9,321
Educational visits		15,882	15,882	27,086
School funds	3,906		3,906	4,248
Support costs - Governance				
Accountancy and Assurance Services		980	980	755
Audit Fees		6,740	6,740	4,765
Legal and Professional Fees		18,255	18,255	18,683
Net Finance Costs in respect of Defined Benefit Pension Schemes		5,000	5,000	5,000
Total support costs	<u>18,874</u>	<u>554,520</u>	<u>573,394</u>	<u>245,914</u>
	<u>18,874</u>	<u>1,299,875</u>	<u>1,318,749</u>	<u>924,159</u>

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £	Total 2015 £
Wages and salaries	590,542	549,131
Social security costs	43,393	33,565
Operating costs of defined benefit pension schemes	113,719	92,966
	<u>747,654</u>	<u>675,662</u>
Supply staff costs	-	-
Staff restructuring costs	-	-
	<u>747,654</u>	<u>675,662</u>

b. Non statutory / non - contractual staff severance payments

There were no staff severance payments made during the current year. (2015: None)

c. Staff numbers

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

	2016 No	2015 No
Teaching	21	23
Administration and Support	16	12
Management	2	2
	<u>37</u>	<u>35</u>

d. Higher paid staff

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

	2016 No	2015 No
£60000 to £69999 (annual equivalent)	1	1

e. Key Management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team 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 £196,645 (2015: £190,380)

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

10 Related Party Transactions - Trustees' remuneration and expenses

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

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

S Woodburn	Remuneration	£65,000 to £69,999	(2015 £65,000 to £69,999)
	Employers Pension Contributions	£10,000 to £14,999	(2015 £5,000 to £9,999)
S Thexton	Remuneration	£40,000 to £44,999	(2015 £40,000 to £44,999)
	Employers Pension Contributions	£5,000 to £9,999	(2015 £5,000 to £9,999)
R Wilson	Remuneration	£40,000 to £44,999	(2015 £40,000 to £44,999)
	Employers Pension Contributions	£5,000 to £9,999	(2015 £5,000 to £9,999)
T Wren	Remuneration	£10,000 to £14,999	(2015 £10,000 to £14,999)
	Employers Pension Contributions	£0 to £4,999	(2015 £0 to £4,999)

During the year ended 31 August 2016 travel and subsistence expenses totalling £1,150 were reimbursed to 3 governors (2015 £962 to 3 governors)

11 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £375 (2015 £353)

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Hardware £	Plant and Machinery £	Total
Cost					
At 1 September 2015	1,414,955	52,268	41,698	177,920	1,686,841
Additions	-	-	9,854	-	9,854
Disposals					
at 31 August 2016	1,414,955	52,268	51,552	177,920	1,696,695
Depreciation					
At 1 September 2015	103,143	16,205	26,812	45,081	191,241
Charged in year	31,058	5,227	12,888	11,510	60,683
Disposals					
at 31 August 2016	134,201	21,432	39,700	56,591	251,924
Net book values					
At 31 August 2016	1,280,754	30,836	11,852	121,329	1,444,771
At 31 August 2015	1,311,812	36,063	14,886	132,839	1,495,600

Valuation

The Leasehold Land and Buildings and the plant and machinery integral to the buildings include valuations of £935,108 and £170,517 respectively made in 2011 by AT Snape RICS Registered Valuer, who was independent of the charitable company. The basis of valuation for the assets was Existing Use Value using a Depreciated Replacement Cost approach in accordance with FRS15 Tangible Assets.

Leases

The school buildings are situated on land owned by the Carlisle Diocesan Board of Finance Limited (CDBF). A Church Supplemental Agreement has been signed giving the academy the right to occupy this land. The Church Supplemental Agreement gives the CDBF the right to terminate the agreement with two years notice. The governors have capitalised the leasehold land and buildings as they are not aware of any intention by the CDBF to serve notice in the future.

The playing fields are subject to a 125 lease with Cumbria county council which commenced on 1st October 2011

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

	2016 £	2015 £
13 Stocks		
Stationery	240	240
	<u>240</u>	<u>240</u>
14 Debtors	2016 £	2015 £
Trade debtors		
VAT recoverable	45,898	4,050
Accrued income and other debtors	2,710	5,600
Prepayments	16,464	14,588
	<u>65,072</u>	<u>24,238</u>
15 Creditors : amounts falling due within 1 year:	2016 £	2015 £
Trade creditors	143,557	9,635
Other taxation and social security	13,386	11,473
EFA creditor: abatement of GAG		
Other creditors	32,806	11,550
Accruals and deferred income	142,085	53,838
	<u>331,834</u>	<u>86,496</u>
Deferred Income	2016 £	2015 £
Deferred income at 1 September 2015	40,884	40,827
Released from previous years	(40,884)	(40,827)
Resources deferred in the period	51,550	40,884
Deferred income a 31 August 2016	<u>51,550</u>	<u>40,884</u>
Deferred income comprises:		
EFA Rates refund for the period September 2016 to March 2017	1,892	
UIFSM money for September 2016 to August 2017	14,658	
Teaching School funding for the period September 2016 to March 2017	<u>35,000</u>	
	<u>51,550</u>	

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2016
Restricted general funds	£	£	£	£	£
General Annual Grant (GAG)	96,247	681,910	(678,683)	2,796	102,270
Other DofE	1,777	12,226	(13,767)		236
Pupil Premium		21,557	(21,557)		-
Pension Reserve	(131,000)		(16,000)	(107,000)	(254,000)
Local Authority Funded Statements		67,731	(67,731)		-
Schools Direct	16,623	26,625	(40,403)		2,845
Teaching School		25,000	(4,015)		20,985
Trips	1,367	10,110	(15,882)	4,548	143
Catering		25,127	(18,294)	(6,833)	-
Other Educational income		27,445	(27,445)		-
Other restricted funds	(1)	20,308	(7,309)	1,666	14,664
	(14,987)	918,039	(911,086)	(104,823)	(112,857)
Restricted fixed asset funds					
Fixed Assets used for charitable purposes	1,495,600		(60,683)	9,854	1,444,771
DfE/EFA capital grants	6,172	5,935		(6,172)	5,935
Condition Improvement Grant		521,222	(328,106)		193,116
	1,501,772	527,157	(388,789)	3,682	1,643,822
Total restricted funds	1,486,785	1,445,196	(1,299,875)	(101,141)	1,530,965
Unrestricted Funds					
Designated School Funds	3,818	2,244	(3,906)		2,156
Designated Catering		18,379	(14,968)	(3,411)	-
General Funds		2,448		(2,448)	-
Total unrestricted funds	3,818	23,071	(18,874)	(5,859)	2,156
Total funds	1,490,603	1,468,267	(1,318,749)	(107,000)	1,533,121

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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

General Annual Grant Fund (GAG) Fund

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (GAG)

Pupil Premium Fund

This represents funding paid by the DoE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students

Defined benefit pension scheme fund

This represents the deficit on the Local Government Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

Local Authority Funded Statements

This represents funding from the Local Authority to pay for Learning Support Assistants who support statemented special needs students

UIFSM

This represents funding from the DoE to fund school meals for all infant students

Funds in Deficit

Pension Reserve - This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The academy has previously entered into an agreement effective from 1st April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 19 years from 1st April 2014

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Transfers

Restricted general Funds

Restricted catering surplus in the year moved to GAG fund for unallocated costs		(6,833)
School trips overspends covered by GAG fund		4,548
Sedbergh school support 2015 reallocation to other restricted funds		1,666
GAG transfers		
Transfer from GAG to cover fixed asset additions in the current year.	(3,682)	
School trips overspends covered by GAG fund	(4,548)	
Sedbergh school support 2015 reallocation.	(1,666)	
Unrestricted lettings income moved to GAG fund for unallocated costs	2,448	
Restricted catering surplus in the year moved to GAG fund for unallocated costs	6,833	
Designated catering surplus in the year moved to GAG fund for unallocated costs	<u>3,411</u>	
		2,796
		<u><u>2,177</u></u>

Restricted fixed Asset Funds

Transfer from GAG to cover fixed asset additions in the current year.	3,682	
Devolved formula capital money used to purchase fixed asset additions in the current year.	<u>6,172</u>	
Total additions		9,854
Devolved formula capital money used to purchase fixed asset additions in the current year.		(6,172)
		<u><u>3,682</u></u>

Unrestricted general Funds

Designated catering surplus in the year moved to GAG fund for unallocated costs		(3,411)
Unrestricted lettings income moved to GAG fund for unallocated costs		(2,448)
		<u><u>(5,859)</u></u>

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

17 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets			1,444,771	1,444,771
Net Current assets	2,156	141,143	199,051	342,350
Pension scheme liability		(254,000)		(254,000)
Total net assets	2,156	(112,857)	1,643,822	1,533,121

18 Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	193,116	

19 Commitments under operating leases

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

	2,016 £	2,015 £
Amounts due within one year	960	200
Amounts due within one and five years	1,089	0
Amounts due after five years	0	0
	2,049	200

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

20 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 Cumbria. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £12,593 (2015: £11,473) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31st March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation Report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1st April 2019.

The pension costs paid to TPS in the period amounted to £63,203 (2015: £53,758)

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

Under the definitions set out in Financial Reporting Standard (FRS 102) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £50,960 (2015:£41,582) of which employer's contributions totalled £39,516 (2015: £32,198) and employees' contributions totalled £11,444 (2015: £9,373). The agreed contribution rates for future years are 17.4% for employers and 5.66% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.30%	3.80%
Rate of increase for pensions in payment/inflation	1.90%	2.30%
Discount rate for scheme liabilities	2.10%	4.00%
Inflation assumption (CPI)	1.80%	2.30%

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.7	25.6
<i>Retiring in 20 years</i>		
Males	25.9	25.8
Females	28.9	28.8

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

	Fair Value at 31st August 2016 £000	Fair Value at 31st August 2015 £000
Equity instruments	109	72
Government Bonds	43	25
Other Bonds	16	10
Property	23	15
Cash / Liquidity	7	4
Other	20	11
Total Market value of Assets	218	137

None of the fair values of assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy

The actual return on scheme assets was £33,000 (2015: £5,000 – FRS updated figure).

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Amounts recognised in the statement of Financial Activities

	2016	2015
	£000	£000
Current service cost (net of employee contributions)	51	39
Net Interest cost	4	4
Administration expenses	1	1
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement		
Total operating charge	56	44

Analysis of other recognised (gains) and losses

Remeasurements (liabilities)	133	6
Remeasurements (assets)	(26)	-
Total charge	107	6

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Movements in the present value of defined benefit obligations were as follows

	2016	2015
	£000	£000
At 1st September 2015	268	205
Current Service cost	51	39
Interest Cost	10	9
Employee contributions	12	9
Actuarial (gain) / loss	133	6
Benefits paid	(2)	-
Plan introductions, benefit changes, curtailments and settlements		
At 31st August 2016	472	268

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

	2016 £000	2015 £000
At 1st September 2015	137	92
Interest Income		
Return on plan assets (excluding net interest on the net defined pension liability)	6	5
Remeasurement of assets	26	
Actuarial (gain) / loss	(1)	(1)
Employer contributions	40	32
Employee contributions	12	9
Benefits paid	(2)	0
Plan introductions, benefit changes, curtailments and settlements		
At 31st August 2016	218	137

Note from actuarial report : The value of the assets is being reassessed formally as part of the 2016 actuarial valuation, the results of which will be incorporated into the 31 August 2017 accounting figures. The effect could be significant change in the reported asset value in next years figures

21 Members Liability

Burton Morewood Church of England Primary School is a company limited by guarantee. 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.

22 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arms length and in accordance with the academy's financial regulations and normal procurement procedures.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

23 Explanation of transition to FRS 102

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

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

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

Reconciliation of total funds	Notes	01 September 2014	31 August 2015
Total funds under previous UK GAAP		1,415,942	1,490,603
Total funds reported under FRS 102		<u>1,415,942</u>	<u>1,490,603</u>
Reconciliation of net income/(expenditure)			31 August 2015
	Notes		
Net income/(expenditure) previously reported under UK GAAP			81,661
Change in recognition of LGPS interest cost	A		(1,000)
Net movement in funds reported under FRS 102			<u>80,661</u>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015.

The effect of the change has been to increase the debit to pension cost expense by £1,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount as shown below:

	Under FRS 102	As Previously Reported	Change
Current service cost	(39,000)	(38,000)	(1,000)
Administration expenses	(1,000)	-	(1,000)
Net interest cost	<u>(4,000)</u>	<u>(5,000)</u>	<u>1,000</u>
Change in pension cost	<u>(44,000)</u>	<u>(43,000)</u>	<u>(1,000)</u>
Actuarial gain/(loss)	<u>(6,000)</u>	<u>(7,000)</u>	<u>1,000</u>
Change in actuarial gain (loss)	<u>(6,000)</u>	<u>(7,000)</u>	<u>1,000</u>