

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

Financial Statements for the Year Ended

31 August 2018

Company Registration Number: 07788628



BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

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BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2018

THE MEMBERS

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

Mr Michael Fishwick
Mr John Gaskins
Mr Andy Barker
The Carlisle Diocesan Board of Finance

THE TRUSTEES

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

Mr Michael Fishwick*
Mr Michael Carr*
Mr Andy Barker
Mr John Gaskins*
Mrs Joanne Dugdale
Mr George Isherwood
Revd Graham Burrows
Mr Steve Thexton*
Mr Richard Wilson*
Mrs Christine Barker
Mrs Judith Fisher
Mrs Allison Head*

* indicates member of Resources Committee

Mrs Christine Barker resigned as a trustee on 22nd March 2018.

Senior Management Team

Mr Richard Wilson	Headteacher
Mr Steve Thexton	Deputy Headteacher
Mrs Sue Woodburn	Executive Headteacher
Mrs Helen Derrick	Business Manager

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 2018

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 2018

The governors present their report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2018. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 2 to 11 serving a catchment area in and around Burton in Kendal, Cumbria.

It has a pupil capacity of 210 + 26 Nursery and had a roll of 179 (excluding Nursery) in the school census dated 24.05.2018

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 2018 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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2018

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 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 Business Manager, who are supported by the Executive Head, on a part time basis. 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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2018

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 2018. Pay progression for all staff, including senior managers, follows the Appraisal Policy which was reviewed in October 2017. 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 2018

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 2 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 2018 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.'

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2018

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.

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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievements and Performance

The Academy has successfully completed its seventh period of operation.

During the year, the Academy took over the running of the village Pre-School, which was set to close. Realising the negative impact that closure would have had on our school intake, the decision was reached to build a small extension and take over the running of the setting.

Through collaboration with the Pre-School Committee and the Local Authority Early Years Team, we were able to open our new space and successfully integrate the existing staff, children and families.

The facility is an excellent addition to the Academy and the development also provides a new dedicated space for our before and after school provision. Far reaching benefits have already been commented upon by staff and, most importantly, our numbers on roll within the setting continue to grow.

In Partnership with the University of Cumbria, the Academy continues to successfully run the School Direct teaching programme. A further nine teachers were trained in the period ending 31st August 2018.

Total number of students on roll in the period ended 31st August 2018 was 179.

The year ending 31st August 2018 saw a lower percentage of children achieve the national standard than in the previous year. Our results, for Year 6 children, were as follows: Reading 50%, Grammar, Punctuation and Spelling 54%, Mathematics 58% and Writing 62%. 8% of children were disapplied from the testing and a further 27% were on the register for Special Educational Needs. This represents a very high percentage for that particular year.

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.

The Academy has had its third operational year as a National Teaching School. 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 is also an Appropriate Registered Body for the Induction of Newly Qualified Teachers. The Academy continues its links with a Teaching School Alliance in Hackney, London.

Key Performance Indicators

During the period September 2017 to August 2018 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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2018

Key Financial Performance Indicators

The deficit before LGPS adjustments was £98,122 (£182,198 in 2017).

Fixed Asset additions of £179,276 relate mainly to the Nursery extension.

The decrease in cash balance from £415,696 to £167,684 in 2017/18 is attributable to planned capital expenditure and a decrease in creditors.

The school has net current assets of £70,077 at the 31 August 2018.

Attendance for the period ending 31st August 2018 was 95.2%.

We were delighted to welcome 26 new children into our Reception class in September 2017 and open our new Nursery in April with the arrival of 20 three to four year olds.

During the period we also welcomed another 4 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 in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2018

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2018, total restricted general expenditure of £1,117,050 was not covered by recurrent grant funding from the DfE together with other incoming resources. The excess of restricted general expenditure over income for the year was £55,829 before the defined pension benefit scheme movement. This deficit was covered from brought forward reserves.

At 31 August 2018 the net book value of fixed assets was £1,528,829 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 £932 which consists entirely of designated School Funds.

Restricted reserves include fixed assets funds of £1,528,829 and a restricted general funds deficit of £169,961. This includes the Local Governments Pension Scheme liability of £232,000, and the General Annual Grant of £2,182.

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 17)

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2018

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

FUNDRAISING

Fundraising at our school is mainly carried out by our dedicated Parents and Teachers Association (PTA) and their accounts are separate from the Academy accounts. They hold events to raise money, and then they decide what to spend the money on, for the use of the children in school.

There are a few occasions during the school year that our children raise money for well deserving charities, eg Macmillan Cancer Research by holding a coffee morning.

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 development in the coming Academic Year is the revision of the whole school vision and mission statements. This work will include members of the Diocesan Board of Education as well as the school stakeholders.

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 2018 was 95.2%.

Our Teaching School will operate for the third year, delivering on all areas of the 'Big 6'. School Direct will operate a sixth cohort in the period 2018-19 with 6 trainee teachers joining our school.

The refurbishment of our Early Years outdoor provision was planned for August 2018 but this will now be completed in September 2018.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNORS' ANNUAL REPORT (*continued*)

YEAR ENDED 31 AUGUST 2018


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 7/12/18

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 2018

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. He 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 Michael Fishwick (Chair)	3	3
Revd Graham Burrows	3	3
Mr Michael Carr	2	3
Mr Andy Barker	3	3
Mr John Gaskins	3	3
Mrs Joanne Dugdale	3	3
Mr George Isherwood	3	3
Mr Richard Wilson (Head & Accounting Officer)	3	3
Mr Steve Thexton	3	3
Mrs Christine Barker	1	2
Mrs Judith Fisher	3	3
Mrs Allison Head	3	3

In our last Ofsted inspection, 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 2018

Governance Review

Following the Governance Review in relation to OFSTEDs "Effective Governance Criteria", carried out by the Chair of Governors, Chair of Resources and Chair of Curriculum/Personnel in June 2017, the Governors have continued, through the Resources Committee, to monitor Governance and implement the areas identified for improvement in that review.

The Resources Committee is a sub-committee of the main governing body and has formally met 4 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 Michael Carr	2	4
Mr Michael Fishwick	4	4
Mr John Gaskins (Chair)	4	4
Mr Richard Wilson (Head & Accounting Officer)	4	4
Mr Steve Thexton	4	4
Mrs Allison Head	3	4

Review of Value for Money

As Accounting Officer, the Headteacher is 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 (changes have been made this year to service providers in order to improve the service we receive).

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT (*continued*)

YEAR TO 31 AUGUST 2018

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 2017-2018, the Finance Sub Committee focused on:

1. The development of financial plans to cover future periods, to ensure that the Academy remains in a healthy financial position.
2. Ensuring agreed timescales were met as outlined on the Maintenance and Property Development Plan.
3. Capital plans and requirements in respect of car parking improvements and future infrastructure needs.
4. The review of budgets, internal costs and charging.
5. Ensuring compliance with governance and regulatory requirements.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT (*continued*)

YEAR TO 31 AUGUST 2018

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 2018 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 2018 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 2018

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)



Richard Wilson (Accounting Officer)

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR TO 31 AUGUST 2018

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 ESFA 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 2017.

I confirm that I and the academy trust board of trustees 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 Academies Financial Handbook 2017.

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 ESFA.



Date.....7/12/18.....

Richard Wilson
Accounting Officer

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

YEAR TO 31 AUGUST 2018

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 2017 to 2018
- 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 ESFA/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 26/11/18 and signed on its behalf by:



Date 7/12/18

Michael Fishwick
Chair of Governors

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 2018

Opinion

We have audited the financial statements of Burton Morewood Church of England Primary School for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 charitable company 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

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

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

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

YEAR ENDED 31 AUGUST 2018

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

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

YEAR ENDED 31 AUGUST 2018

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees determine is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mr Ian Thompson (Senior Statutory Auditor)

Date: 13/12/18.....

For and on behalf of
Saint & Co

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

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 AND SKILLS FUNDING AGENCY

YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 15 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Burton Morewood Church of England Primary School during the period 01 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective Responsibilities of Burton Morewood Church of England Primary School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the 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 2017, 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 2017 to 2018. 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 01 September 2017 to 31 August 2018 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 2017 to 2018 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.

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 AND SKILLS FUNDING AGENCY (*continued*)**

YEAR ENDED 31 AUGUST 2018

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 conclusion includes:

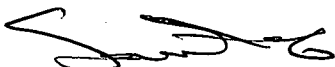
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual payments for staff have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance 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.

Use of our report

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

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 01 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....

Date: 13/12/18

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2018

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and Endowments from:						
Donations and capital grants	3		16	5,912	5,928	12,860
Transfer from local authority on conversion					-	
Charitable activities:						
Funding for the academy trust's educational operations	4	22,977	1,061,205		1,084,182	956,417
Other trading activities	5	6,532			6,532	17,756
Investments	6				-	
Total		29,509	1,061,221	5,912	1,096,642	987,033
Expenditure on:						
Raising Funds	7	-	-		-	-
Charitable activities:						
Academy trust educational operations	8	21,609	1,117,050	56,105	1,194,764	1,169,231
Other					-	
Total		21,609	1,117,050	56,105	1,194,764	1,169,231
Net income / (expenditure)		7,900	(55,829)	(50,193)	(98,122)	(182,198)
Transfer between Funds		(7,763)	(54,255)	62,018	-	-
Other Recognised gains / (losses):						
Actuarial gain / (loss) in respect of defined benefit pension schemes			72,000		72,000	35,000
Net Movement in Funds		137	(38,084)	11,825	(26,122)	(147,198)
Reconciliation of Funds						
Total funds brought forward		796	(131,876)	1,517,003	1,385,923	1,533,121
Total Funds carried Forward		933	(169,960)	1,528,828	1,359,801	1,385,923


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 2018

Balance Sheet				
		2018	2018	2017
	Note			2017
Fixed Assets				
Tangible assets	12		1,528,829	1,394,602
Current assets				
Stocks	13	250		240
Debtors	14	22,838		24,855
Cash at bank and in hand		167,684		415,696
		<u>190,772</u>		<u>440,791</u>
Liabilities				
Creditors: Amounts falling due within one year	15	(120,695)		(181,181)
Net current assets			<u>70,077</u>	<u>259,610</u>
Total Assets less Current Liabilities			<u>1,598,906</u>	<u>1,654,212</u>
Creditors: Amounts falling due after one year	16		(7,106)	(8,290)
Net Assets excluding pension liability			<u>1,591,800</u>	<u>1,645,922</u>
Defined benefit pension scheme liability	21		(232,000)	(260,000)
Total net assets			<u>1,359,800</u>	<u>1,385,922</u>
Funds of the academy trust:				
Restricted Funds:				
Fixed Asset fund	17		1,528,829	1,517,003
Restricted income Fund	17	62,039		128,123
Pension reserve	17	(232,000)		(260,000)
Total restricted funds			<u>(169,961)</u>	<u>(131,877)</u>
Unrestricted income funds	17		932	796
Total funds			<u>1,359,800</u>	<u>1,385,922</u>

The financial statements on pages ²⁵⁻²⁷ were approved by the trustees, and authorised for issue on 26.11.2018 and are signed on their behalf by:

 Michael Fishwick

Company number 07788628

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

Statement of Cashflows	2018 £	2017 £	
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)	(98,122)	(182,198)	
<i>Adjusted for:</i>			
Interest received		-	
Depreciation	56,105	53,105	
EFA Capital Grants	(5,913)	(12,005)	
Other Capital Grants	-	-	
(Increase)/Decrease in stocks	(10)	-	
(Increase)/Decrease in debtors	2,017	40,217	
(Decrease)/Increase in creditors	(60,487)	(150,653)	
(Decrease)/Increase in long term creditors	(1,184)	8,290	
Defined benefit pension scheme net finance costs	1,186	3,628	
Defined benefit pension scheme costs less contributions payable.	<u>42,814</u>	<u>37,372</u>	
Net cash inflow / (outflow) from operating activities	(63,594)	(202,244)	
Cashflows from investing activities			
Receipts from sale of tangible fixed assets			
Payments to acquire tangible fixed assets	(190,332)	(2,936)	
EFA Capital Grants	5,913	12,005	
Other capital funding received	-	-	
Interest received		-	
Net cash provided by / (used in) investing activities	(184,419)	9,069	
Cashflows from financing activities			
	-	-	
Net cash provided by / (used in) financing activities	-	-	
Decrease (increase) in cash in the year	<u>(248,013)</u>	<u>(193,175)</u>	
Reconciliation of Net cash Flow to Movement in Net Funds	2018 £	2017 £	
(Decrease) / Increase in cash in the period	<u>(248,013)</u>	<u>(193,175)</u>	
Change in net funds	(248,013)	(193,175)	
Cash and cash equivalents at 1 September 2017	<u>415,697</u>	<u>608,872</u>	
Cash and cash equivalents at 31 August 2018	<u>167,684</u>	<u>415,697</u>	
	01/09/2017	Cash Flows	31/08/2018
Analysis of cash and cash equivalents	£	£	£
Cash in hand and at bank	415,697	(248,013)	167,684

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, 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.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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 2018

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 2018

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.

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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Statement of Accounting Policies (continued)

- 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.

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

Salix Accounting Policy

Public Benefit Entity Concessionary Loans

Public Benefit Entity Concessionary Loans shall initially be measured at the amount received and recognised in the statement of financial position. In subsequent years, the carrying amount of concessionary loans in the financial statements shall be adjusted to reflect any accrued interest payable.

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.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Statement of Accounting Policies (continued)

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as define in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial Assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments.

Cash at Bank – is classified as a basic financial instrument and is measured at face value.

Financial Liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 2018

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, 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 and Skills Funding Agency.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Statement of Accounting Policies (continued)

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.

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 2018 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 2018.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
ESFA Capital grants			5,912	5,912	6,002
ESFA Condition Improvement Grant			-	-	6,003
Other Capital grants			-	-	-
Donated fixed assets			-	-	-
Other donations		16		16	855
	-	16	5,912	5,928	12,860
2017 Total	-	855	12,005	12,860	

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants					
General Annual Grant (GAG)		672,119		672,119	678,881
Pupil Premium		14,897		14,897	13,510
UIFSM		26,657		26,657	26,902
Other DfE / ESFA grants		20,757		20,757	12,255
	-	734,430	-	734,430	731,548
Other Government grants					
Local Authority grants		65,463		65,463	67,978
Teaching School		91,679		91,679	51,918
Other government grants		-		-	-
	-	157,142	-	157,142	119,896
Other income from the academy trust's educational operations					
School Funds	5,990	15,010		21,000	4,149
School Trips		11,868		11,868	22,830
Schools Direct		33,966		33,966	45,750
Science Learning Partnership		65,306		65,306	
Nursery		24,737		24,737	
Catering	16,987			16,987	12,895
Other Educational Income		18,746		18,746	19,349
	22,977	169,633	-	192,610	104,973
	22,977	1,061,205	-	1,084,182	956,417
2017 Total	15,631	940,786	-	956,417	

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

5 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Hire of facilities	2,759			2,759	4,142
Staff Services	3,773			3,773	13,614
	<u>6,532</u>	<u>-</u>	<u>-</u>	<u>6,532</u>	<u>17,756</u>
2017 Total	<u>17,756</u>	<u>-</u>	<u>-</u>	<u>17,756</u>	

6 Investment Income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Short term deposits	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2017 Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

7 Expenditure

Raising Funds - Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Lettings	-			-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2017 Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Net income / (expenditure) for the period includes:

	2018 £	2017 £
Operating lease rentals		
Depreciation	56,105	53,105
(Gain) / loss on disposal of fixed assets		
Fees payable to auditor for:		
audit	5,855	5,213
other services	470	1,390

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable Activities

	Staff costs £	Non Pay Expenditure Premises £	Other £	2018 £	2017 £
Expenditure on Raising Funds	-	-	-	-	-
Academy's Educational Operations					
Direct Costs	731,435	39,030	119,949	890,414	809,320
Allocated Support Costs	147,098	60,810	96,442	304,350	359,911
	<u>878,533</u>	<u>99,840</u>	<u>216,390</u>	<u>1,194,764</u>	<u>1,169,231</u>
2017 Total	<u>796,954</u>	<u>96,410</u>	<u>275,867</u>	<u>1,169,231</u>	

Analysis of Educational Activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Depreciation	-	39,030	39,030	36,943
Teaching and Educational support staff costs	-	731,435	731,435	663,650
Educational supplies	-	32,946	32,946	31,634
Staff training	-	55,441	55,441	31,104
Educational consultancy	-	5,735	5,735	7,078
Other direct costs	-	25,827	25,827	38,911
Total Direct costs	<u>-</u>	<u>890,414</u>	<u>890,414</u>	<u>809,320</u>
2017 Total	<u>-</u>	<u>809,320</u>	<u>809,320</u>	

Analysis of support costs

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Depreciation		17,076	17,076	16,162
Support staff costs	9,785	137,314	147,098	133,304
maintenance of premises and equipment		22,460	22,460	18,426
maintenance of premises from CIF Fund		3,110	3,110	76,568
rates and water		5,120	5,120	8,003
heat light & power		8,792	8,792	8,662
Insurance		7,362	7,362	8,214
Technology costs		2,210	2,210	4,466
Catering	5,971	7,297	13,268	12,215
Other support costs		6,620	6,620	8,645
Educational visits		18,989	18,989	27,898
School funds	5,854	14,674	20,527	5,509
Support costs - Governance				
Accountancy and Assurance Services		1,410	1,410	1,390
Audit Fees		5,855	5,855	5,213
Legal and Professional Fees		23,266	23,266	21,458
Legal and Professional Fees from CIF Fund		-	-	150
Net Finance Costs in respect of Defined Benefit Pension Schemes		1,186	1,186	3,628
Total support costs	<u>21,609</u>	<u>282,741</u>	<u>304,350</u>	<u>359,911</u>
	<u>21,609</u>	<u>1,173,155</u>	<u>1,194,764</u>	<u>1,169,231</u>
2017 Total	<u>18,713</u>	<u>1,150,518</u>	<u>1,169,231</u>	

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

a. Staff costs

Staff costs during the period were:

	2018	2017
	£	£
Wages and salaries	669,247	600,867
Social security costs	53,154	54,723
Operating costs of defined benefit pension schemes	154,942	140,287
	<u>877,343</u>	<u>795,877</u>
Supply staff costs	-	-
Staff restructuring costs	-	-
	<u>877,343</u>	<u>795,877</u>

Staff restructuring costs comprise:

Redundancy payments

Severance payments

Other restructuring costs

	-	-
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b. Non statutory / non - contractual staff severance payments

There were no staff severance payments made during the current year. (2017: None)

c. Staff numbers

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

	2018	2017
Teaching	23	21
Administration and Support	12	13
Management	2	2
	<u>37</u>	<u>36</u>

d. Higher paid staff

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

	2018	2017
£60000 to £69999 (annual equivalent)	0	0

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 £162,852 (2017: £167,994)

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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	Not Applicable	(2017 £35,000 to £39,999)
	Employers Pension Contributions	£0 to £4,999	(2017 £0 to £4,999)
S Thexton	Remuneration	£45,000 to £49,999	(2017 £45,000 to £49,999)
	Employers Pension Contributions	£5,000 to £9,999	(2017 £5,000 to £9,999)
R Wilson	Remuneration	£50,000 to £54,999	(2017 £45,000 to £49,999)
	Employers Pension Contributions	£5,000 to £9,999	(2017 £5,000 to £9,999)
C Barker	Remuneration	£10,000 to £14,999	(2017 £10,000 to £14,999)
	Employers Pension Contributions	£0 to £4,999	(2017 £0 to £4,999)

During the year ended 31 August 2018 travel and subsistence expenses totalling £1,553 were reimbursed to 3 governors (2017 £2,206 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 2018 was £139 (2017 £355). The cost of this insurance is included in the total insurance cost.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Hardware £	Plant and Machinery £	Total
Cost					
At 1 September 2017	1,414,955	52,268	54,488	177,920	1,699,631
Additions	179,276	-	11,056	-	190,332
Disposals					
at 31 August 2018	<u>1,594,231</u>	<u>52,268</u>	<u>65,544</u>	<u>177,920</u>	<u>1,889,963</u>
Depreciation					
At 1 September 2017	165,259	26,658	45,010	68,101	305,029
Charged in year	31,058	5,227	8,310	11,510	56,105
Disposals					
at 31 August 2018	<u>196,317</u>	<u>31,885</u>	<u>53,321</u>	<u>79,611</u>	<u>361,134</u>
Net book values					
at 31 August 2018	<u>1,397,914</u>	<u>20,383</u>	<u>12,223</u>	<u>98,309</u>	<u>1,528,829</u>
At 31 August 2017	<u>1,249,695</u>	<u>25,610</u>	<u>9,478</u>	<u>109,819</u>	<u>1,394,602</u>

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 2018

	2018 £	2017 £
13 Stocks		
Stationery	250	240
	<u>250</u>	<u>240</u>

	2018 £	2017 £
14 Debtors		
Trade debtors		
VAT recoverable	8,630	9,415
Accrued income and other debtors	4,571	1,610
Prepayments	6,379	13,830
	<u>19,580</u>	<u>24,855</u>

	2018 £	2017 £
15 Creditors : amounts falling due within 1 year:		
Trade creditors	10,346	38,534
Other taxation and social security	15,144	11,841
Other creditors	15,040	40,965
Loan	1,184	1,184
Accruals and deferred income	78,981	88,657
	<u>120,695</u>	<u>181,181</u>

	2018 £	2017 £
Deferred Income		
Deferred income brought forward	79,213	51,550
Released from previous years	(79,213)	(51,550)
Resources deferred in the period	70,382	79,213
Deferred income carried forward	<u>70,382</u>	<u>79,213</u>

Deferred income comprises:

ESFA Rates refund for the period September 2018 to March 2019	1,956
UIFSM money for September 2018 to March 2019	15,550
NSS Bursary funding for the period September 2018 to March 2019	3,500
Teaching School funding for the period September 2018 to August 2019	40,000
SEN money for September 2018 to March 2019	<u>9,376</u>
	<u>70,382</u>

	2018 £	2017 £
16 Creditors : amounts falling due in greater than 1 year:		
Other Creditors	7,106	8,290
Other creditors comprises a loan of £7,106 from Salix which is provided interest free for 8 years		

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	98,833	672,119	(833,192)	64,422	2,182
Other DofE	421	20,757	(16,846)		4,332
Pupil Premium	-	14,897	(14,897)		-
Pension Reserve	(260,000)		(44,000)	72,000	(232,000)
Local Authority Funded Statements	-	65,463	(65,463)		-
Schools Direct	20,556	33,966	(19,628)	(20,000)	14,894
Nursery		24,737	(675)	(17,713)	6,349
Science Learning Partnership		65,306	(22,424)	(21,897)	20,985
Teaching School	8,532	91,679	(28,243)	(59,776)	12,192
Trips	(217)	11,868	(18,989)	8,108	770
School Funds	-	15,010	(14,674)		336
Catering	-	26,657	(19,257)	(7,400)	-
Other Educational income	-	18,746	(18,746)		-
Miscellaneous Donations	-	16	(16)		-
Other restricted funds	-	-			-
	(131,875)	1,061,221	(1,117,050)	17,744	(169,960)
 Fixed Assets used for charitable purposes	1,394,603		(56,105)	190,332	1,528,830
DfE/ESFA capital grants		5,913		(5,913)	-
Condition Improvement Grant	122,400			(122,400)	-
	1,517,003	5,913	(56,105)	62,019	1,528,830
Total restricted funds	1,385,128	1,067,134	(1,173,155)	79,763	1,358,870
 Unrestricted Funds					
Designated School Funds	796	5,990	(5,854)		932
Designated Catering		16,986	(15,755)	(1,231)	-
General Funds		6,532		(6,532)	-
Total unrestricted funds	796	29,508	(21,609)	(7,763)	932
Total funds	1,385,924	1,096,642	(1,194,764)	72,000	1,359,802

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	102,270	678,881	(747,700)	59,381	92,832
Other DofE	236	12,255	(12,070)		421
Pupil Premium	0	13,510	(13,510)		0
Pension Reserve	(254,000)		(41,000)	35,000	(260,000)
Local Authority Funded Statements	0	67,978	(67,978)		0
Schools Direct	2,845	45,750	(14,135)	(13,904)	20,556
Teaching School	20,985	51,918	(42,256)	(22,115)	8,532
Trips	143	22,829	(27,898)	4,709	(217)
School Funds		1,413	(1,413)		0
Catering	0	26,902	(17,865)	(9,037)	0
Other Educational income	0	29,350	(29,350)		0
Miscellaneous Donations	0	855	(855)		0
Other restricted funds	14,665	0	(14,665)		0
	<u>(112,856)</u>	<u>951,641</u>	<u>(1,030,695)</u>	<u>54,034</u>	<u>(137,876)</u>
Restricted fixed asset funds					
Fixed Assets used for charitable purposes	1,444,772		(53,105)	2,936	1,394,603
DfE/EFA capital grants	5,935	6,002		(11,937)	0
Condition Improvement Grant	193,116	6,003	(76,718)		122,401
	<u>1,643,823</u>	<u>12,005</u>	<u>(129,823)</u>	<u>(9,001)</u>	<u>1,517,004</u>
Total restricted funds	<u>1,530,967</u>	<u>963,646</u>	<u>(1,160,518)</u>	<u>51,034</u>	<u>1,385,128</u>
Unrestricted Funds					
Designated School Funds	2,156	2,736	(4,096)		796
Designated Catering		12,895	(14,617)	1,722	0
General Funds		17,756		(17,756)	0
Total unrestricted funds	<u>2,156</u>	<u>33,387</u>	<u>(18,713)</u>	<u>(16,034)</u>	<u>796</u>
Total funds	<u>1,533,123</u>	<u>997,033</u>	<u>(1,179,231)</u>	<u>34,999</u>	<u>1,385,925</u>

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 DoFE 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

UFSM

This represents funding from the DoFE 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

School Direct

School Direct Teacher Training Programme is run in collaboration with the University of Cumbria. Trainees are trained at our school and do their placements in local primary schools. We receive funding from the University of Cumbria for each trainee and use this money to pay for their training sessions and other School Direct expenses. School Direct must be totally self-sufficient and cover it's own running costs.

Nursery

We took over the running of the village Nursery in April 2018. It has become increasingly popular since its arrival within school and numbers have increased. We receive income from the Local Authority for the Government's 30 hours Nursery funding and payment from individual parents for non-funded hours. Nursery income covers the cost of Nursery staff and all other related expenses. When we took on this venture we set up a separate fund so that we could have greater visibility of income and expenditure to ensure viability.

Science Learning Partnership

This is funded by The National STEM Learning Centre, based at the University of York. Monthly income is received from STEM and this covers the staffing costs involved in running it and other related expenses including CPD. Within our remit, the SLP delivers high quality CPD and supports other establishment's needs analysis. SLP must be totally self-sufficient and cover it's own running costs.

Teaching School

As a National Teaching School, we are accountable for the funding we received from the Government and need to be able to accurately identify all income and expenditure for a return at the end of each year. It is important that Teaching School business continues to be financially viable. This funding covers staffing, administration and expenses to aid delivery of the 6 Areas of Responsibility, to other teaching establishments.

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Transfers

Restricted general Funds

Restricted catering surplus in the year moved to GAG fund for unallocated costs	(7,401)	
School trips overspends covered by GAG fund	8,109	
School Direct	(20,000)	
Nursery	(17,713)	
Science Learning Partnership	(21,897)	
Teaching School	(59,776)	
GAG transfers		
Transfer from GAG to cover fixed asset additions in the current year.	(62,018)	
School trips overspends covered by GAG fund	(8,109)	
School Direct transferred to GAG	20,000	
Nursery transferred to GAG	17,713	
Science Learning Partnership transferred to GAG	21,897	
Teaching School transferred to GAG	59,776	
Unrestricted lettings income moved to GAG fund for unallocated costs	2,759	
Unrestricted consultancy income moved to GAG fund for unallocated costs	3,773	
Restricted catering surplus in the year moved to GAG fund for unallocated costs	7,401	
Designated catering surplus in the year moved to GAG fund for unallocated costs	1,231	
	<u>64,423</u>	
		<u>(54,255)</u>

Restricted fixed Asset Funds

Transfer from GAG to cover fixed asset additions in the current year.	62,018	
Devolved formula capital money used to purchase fixed asset additions in the current year.	<u>5,912</u>	
Total additions		67,930
Devolved formula capital money used to purchase fixed asset additions in the current year.		(5,912)
		<u>62,018</u>

Unrestricted general Funds

Designated catering surplus in the year moved to GAG fund for unallocated costs	(1,231)	
Unrestricted lettings income moved to GAG fund for unallocated costs	(6,532)	
		<u>(7,763)</u>

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Funds	General	Fixed Asset	Total Funds
	£	£	£	£
Tangible fixed assets			1,528,830	1,528,830
Net Current assets	932	62,039	0	62,971
Pension scheme liability		(232,000)		(232,000)
Total net assets	932	(169,961)	1,528,830	1,359,801

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

	Funds	General	Fixed Asset	Total Funds
	£	£	£	£
Tangible fixed assets			1,394,603	1,394,603
Net Current assets	647	122,123	128,401	251,171
Pension scheme liability		(260,000)		(260,000)
Total net assets	647	(137,877)	1,523,004	1,385,774

19 Capital commitments

	2018	2017
	£	£
Contracted for, but not provided in the financial statements	0	0

20 Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	134	960
Amounts due within two and five years	0	129
Amounts due after five years	0	0
	134	1,089

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 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 2016.

Contributions amounting to £15,035 (2017: £11,841) were payable to the schemes at 31 August 2018 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 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

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
- 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

BURTON MOREWOOD CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £63,667 (2017: £59,203)

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 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 2018 was £55,446 (2017: £50,092) of which employer's contributions totalled £48,533 (2017: £43,712) and employees' contributions totalled £13,996 (2017: £12,447). The agreed contribution rates for future years are 16.7% for employers and 5.64% 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.

The Academy Trust made additional contributions in addition to normal funding levels which totalled £7,083 in the year ended 31 August 2018. It is anticipated that these contributions will continue until March 2033

Principal Actuarial Assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.60%	3.70%
Rate of increase for pensions in payment/inflation	2.20%	2.20%
Discount rate for scheme liabilities	2.80%	2.40%
Inflation assumption (CPI)	2.10%	2.20%

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FOR THE YEAR ENDED 31 AUGUST 2018

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.2	23.1
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.5	25.4
Females	28.5	28.4

Sensitivity Analysis

	31st August 2018		31st August 2017	
	Deficit	Change	Deficit	Change
	£000	£000	£000	£000
Discount rate +0.1%	219	(28)	247	(13)
Discount rate -0.1%				
Mortality assumption - 1 year increase	244	(27)	271	11
Mortality assumption - 1 year decrease				
CPI rate +0.1%	246	(27)	273	13
CPI rate -0.1%				

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

	Fair Value at 31st August 2018 £000	Fair Value at 31st August 2017 £000
Equity instruments	212	177
Government Bonds	76	66
Other Bonds	28	23
Property	40	29
Cash / Liquidity	26	19
Other	55	46
Total Market value of Assets	437	360

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 £19,000 (2017: £20,000).

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Amounts recognised in the statement of Financial Activities

	2018	2017
	£000	£000
Current service cost (net of employee contributions)	86	79
Net Interest cost	5	5
Administration expenses	1	1
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement		
Total operating charge	92	85

Analysis of other recognised (gains) and losses

Remeasurements (liabilities)	(63)	49
Remeasurements (assets)	(9)	(84)
Total charge	(72)	(35)

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FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £000	2017 £000
At 1st September 2017	620	472
Current Service cost	86	79
Interest Cost	14	10
Employee contributions	14	12
Actuarial (gain) / loss	(63)	49
Benefits paid	(2)	(2)
Plan introductions, benefit changes, curtailments and settlements		
At 31st August 2018	669	620

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

	2018 £000	2017 £000
At 1st September 2017	360	218
Interest Income		
Return on plan assets (excluding net interest on the net defined) pension liability	9	5
Remeasurement of assets	9	84
Administration expenses	(1)	(1)
Employer contributions	48	44
Employee contributions	14	12
Benefits paid	(2)	(2)
Plan introductions, benefit changes, curtailments and settlements		
At 31st August 2018	437	360

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FOR THE YEAR ENDED 31 AUGUST 2018

22 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.

23 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.

24 Teaching School

	2017/18 £'000	2017/18 £'000	2016/17 £'000	2016/17 £'000
Income				
Direct Income		92		52
Total Income		<u>92</u>		<u>52</u>
Expenditure				
Staff costs	41		22	
Direct costs	9		33	
Training Costs	<u>19</u>		<u>10</u>	
total costs		69		65
Transfer between funds		19		
Surplus /(Deficit)		<u>4</u>		<u>-13</u>
Teaching School Balance brought forward		8		21
Teaching School Balance carried forward		12		8