

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

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THE BOURTON MEADOW EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Members	Mr A J MacGarvey, Chief Executive Mr P J Fealey Mr L Harrison
Directors	Mr M J Kitson, Executive Headteacher and Accounting Officer Mr P J Fealey Mrs C Conquest Mr A J MacGarvey, Chief Executive Mr L Harrison
Governors - Bourton Meadow	Mr R Main, Headteacher Mr P Fealey, Chair of Governors Mr A J MacGarvey (resigned 9 February 2015) Mr L Harrison Mrs P Croucher (appointed 11 December 2014) Mr B Boggie (appointed 9 January 2015) Mrs A Brown (appointed 6 May 2015) Mrs D Bowden Mrs C Conquest Mrs J Harte (resigned 13 October 2014) Mr S Rogers Mr M Foster (appointed 6 May 2015) Mrs J Bunyan (appointed 28 January 2015) Mrs L Handley Mr C A Rose (appointed 14 January 2015) Mrs S L Joubert Mrs K Duckmanton (appointed 28 January 2015) Mrs A McGuigan Mrs K Herring (appointed 6 May 2015)
Governors - George Grenville	Mrs L Brown, Headteacher Mrs A Rugg, Chair of Governors Mr K Harvey Mr H Adams Mr A Pool Mr S Townsend Mrs H Buckley Mrs A Cameron Mr P Williams Mr S Hendrickson Mrs J Long Mrs H Venn
Company registered number	07867334
Principal and Registered office	Bourton Meadow Academy Burleigh Piece Buckingham Buckinghamshire MK18 7HX

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Company secretary	Mrs K Herring
Senior management team	Bourton Meadow Mr R Main, Headteacher Mrs L Handley, Deputy Headteacher Mrs S Jones, Deputy Headteacher Mrs J Austin, SEN Manager George Grenville Mrs L Brown, Headteacher Mrs E Killick, Deputy Headteacher
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Lloyds Bank Plc Lloyds Court 28 Secklow Gate West Milton Keynes Buckinghamshire MK9 3EH
Solicitors	Michelmores Woodwater House Pynes Hill Exeter EX2 5WR

THE BOURTON MEADOW EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates 2 primary academies for pupils aged 2 to 11 serving a catchment area that covers much of the town of Buckingham and the immediate surrounding area.

Structure, governance and management

a. CONSTITUTION

The Bourton Meadow Education Trust is a company limited by guarantee and an exempt charity. The company was incorporated on 1 December 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of The Bourton Meadow Education Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Bourton Meadow Education Trust.

Details of the Trustees, Directors and Governors are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

The Trust has purchased insurance to cover Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 14 to the accounts.

d. PRINCIPAL ACTIVITIES

Bourton Meadow School converted to Academy status on 1 March 2012 at which point the entity's operations commenced. It became a multi academy Trust in June 2013 and was named The Bourton Meadow Education Trust. The Trust's principal activities are to provide all children within the Buckingham community with the same outstanding education opportunities principally by establishing, maintaining, carrying on, managing and developing schools that offer a broad, balanced and outstanding curriculum.

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Board of Trustees is responsible for appointing Governors for Bourton Meadow Academy except for parent Governors and staff Governors who are elected by a secret ballot. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher and Executive Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

f. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Governors will depend on their existing experience. An induction programme is available and will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the respective academies and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, training is tailored specifically to the individual.

g. ORGANISATIONAL STRUCTURE

During the initial period a unified management structure was introduced to help improve the way Bourton Meadow Academy is run. Since the transfer to Bourton Meadow Education Trust (BMET), the structure now consists of four levels: the Trustees, the Directors, the Governors and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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 their academy, capital expenditure and senior staff appointments.

The Senior Managers at both academies control the Academy at an executive level implementing the policies laid down by their respective governing bodies and reporting back to them. Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though the Headteacher is always appointed by the directors. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

h. RISK MANAGEMENT

The Governors have assessed the major risks to which Bourton Meadow Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance statement.

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy is partnered with Denbigh Teaching School Alliance for teacher training and PEP:mk.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the charitable company, The Bourton Meadow Education Trust, is the operation of The Bourton Meadow Academy and the George Grenville Academy to provide an outstanding education for pupils of different abilities between the ages of 2 and 11 with an emphasis on an exciting, broad, balanced and creative curriculum.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Bourton Meadow Academy and George Grenville Academy are schools that we can justifiably feel proud of. They are vibrant, positive places to be. Our children become responsible citizens. They enjoy coming to school and are motivated by their successes. They are secure in the knowledge that we welcome their whole family and work with them as a team, with the welfare and education of each child being our focus.

Pupils enjoy a more "Creative Curriculum" and rise to the challenge of enquiry based learning. Monitoring systems are well organised to provide evidence of the impact that these developments have on children's learning. Staff, Headteachers and Governors have a positive, open minded approach to sharing good practice with other schools. Links with schools in the Trust and beyond have led to rapid development.

In June 2013 Ofsted inspectors judged Bourton Meadow Academy to be "Outstanding" for the third time and we must now aim higher, therefore providing our pupils with the very best primary education we can. George Grenville Academy has not been inspected since it opened but we are confident that it is at least a good school and will soon join Bourton Meadow Academy in being outstanding. George Grenville Academy's predecessor was judged as Requires Improvement by Ofsted and so it is a tremendous achievement for the school to be approaching outstanding. The Initial Teacher Training Centre is judged as outstanding by Ofsted and continues to produce outstanding new teachers.

The overriding objectives are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce; and
- To conduct the Academies' business in accordance with the highest standards of integrity, probity and openness.

The main areas of development for BMET during the year ended 31 August 2015 were:

- To welcome George Grenville Academy into the Trust
- To open Lace Hill Academy within the Trust from 1 September 2015
- To work to broaden the work of the Initial Teacher Training Centre so that it maintains its viability in an increasingly competitive market
- To continue the development of Bourton Meadow Academy;
- To ensure the continuity of the senior leadership of the Trust;
- To work to promote the role of the Trust in developing closer working links with schools in the town of Buckingham and vicinity.
- To consider how the Trust should develop in the future so that its aims as described in its mission statement are met

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The main areas for Bourton Meadow Academy to develop during the year ended 31 August 2015 are summarised below:

- Raising the attainment of Pupil Premium children.
- The improvement and enhancement of the assessment process to ensure that the identification, monitoring and review of progress and attainment is efficient and effective
- To effectively identify, assess and apply phonics fluently and expressively
- To efficiently monitor the impact of the new curriculum across all subjects
- To implement a clear and consistent behaviour model and reward system which results in a purposeful ethos of support, engagement and fulfilment for all pupils
- To improve community cohesion and collaboration with recognised impact on pupils' progress

The main areas for George Grenville Academy to develop during the period ended 31 August 2015 are summarised below:

- To develop the role of subject leadership across the school
- To set values for which the school stand and use them to rewrite the mission statement
- To raise expectations in attitudes to learning
- To improve attendance across the school
- To increase the percentage of good or better teaching across the school
- To develop the creative curriculum across the school in line with the new national curriculum
- To raise achievement in literacy particularly in spelling, grammar and punctuation across the whole school
- To accelerate progress and attainment in mathematics across the school

The Trust's main strategy is encompassed in its mission statement which is, 'The vision of the Bourton Meadow Education Trust is that all children in the Buckingham community are provided with outstanding educational opportunities so that they all achieve their potential. The Buckingham community includes all the schools within the Trust, all other schools within the town of Buckingham and all those schools in neighbouring villages that feed into Buckingham schools. We want to strengthen our links with local schools so that they can help to shape and evolve this vision. We want to keep the best educational professionals within our community. We want to work with other schools and organisations in the community to maximise the opportunities for all children who live there'.

To this end the activities provided include:

- To deliver outstanding teaching and learning
- To lead by example in supporting and enriching the community
- To provide outstanding teacher training and consultancy for the wider educational community
- To provide and support CPD amongst staff to enhance performance
- To provide excellence in the wrap-around care facilities
- To produce outstanding pupil value added
- To provide enhanced facilities

c. PUBLIC BENEFIT

The Bourton Meadow Education Trust promotes education for the benefit of the local community of Buckingham and offers recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and pupils which further enhances the public benefit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

Bourton Meadow Academy

Bourton Meadow Academy is in its fourth period of operation and continues to achieve the forecast numbers of pupils. Total pupils in the period ended 31 August 2015 number 603 and there is a full complement in nearly all year groups. The Academy also operates a Nursery taking rising 3's up to school age. This provision had 93 children on roll as at 31 August 2015.

Examination results for 2015 continue to be strong and maintained the high standards of previous years.

Early Years Foundation Stage

70% of pupils have achieved a 'good level of development' compared to 60% in Buckinghamshire last year and 65% last year at Bourton Meadow. The EYFSP average score was 36.7 (Bucks: 33.8), which demonstrates the good progress the children make in the Early Years.

Key Stage 1

97% of children achieved Level 2 in Reading, 98% achieved a Level 2 in Writing and 99% achieved a Level 2 in Maths. 41% of children achieved a Level 3 in Reading, 28% in writing and 43% in Maths. These figures are significantly above national figures and are in line with last year's excellent results.

Key Stage 2

Once again, children performed significantly above national averages with 98% achieving Level 4+ in Reading, 95% achieving a Level 4 in Writing and 98% achieving a Level 4+ in Maths with 97% achieving Level 4+ in Reading, Writing & Maths combined. In addition, 59% of children achieved a Level 5 in reading, 53% in Writing and 61% in Maths. These figures are significantly above national averages and in line with the very high results from last year.

94% of children achieved two curriculum levels progress in Reading, 97% in Writing and+ 98% achieved this in Maths. In addition, 25% of children made better than expected progress in Reading when compared with national figures, 36% in Writing and 47% in Maths. These figures are well above national figures and are in line with what one would expect from an outstanding school. However, reading scores dipped slightly and the academy will address this.

George Grenville Academy

George Grenville Academy is in its first year of operation, so comparisons are made with the results of predecessor school. Numbers on roll have risen dramatically over the past year and continue to do so. Total pupils in the period ended 31 August 2015 number 147 with 40 in the Academy's nursery.

Foundation Stage

67% of children achieved a 'good level of development' in the Early Years compared with 50% last year. The national figure last year was 60%. The EYFSP average score was 36.8, up from 30.7 last year and a national figure of 33.8 last year.

Key Stage 1

90% of children achieved Level 2 in Reading, 84% achieved a Level 2 in Writing and 94% achieved a Level 2 in Maths. 45% of children achieved a Level 3 in Reading, 23% in writing and 32% in Maths. These figures are in line with national figures at Level 2 and are better than national figures at Level 3. They represent a big improvement on last year's results.

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Key Stage 2

For the second year in a row, children performed particularly well with 95% achieving Level 4+ in Reading, 95% achieving a Level 4 in Writing and 100% achieving a Level 4+ in Maths and with 89% achieving Level 4+ in Reading, Writing & Maths combined. In addition, 53% of children achieved a Level 5 in reading, 42% in Writing and 76% in Maths. In addition, over 40% of children got a Level 6 in maths. These figures are significantly above national averages and are in line with the high results from last year.

100% of children achieved two curriculum levels progress in Reading, 100% in Writing and 100% achieved this in Maths. In addition, 35% of children made better than expected progress in Reading when compared with national figures, 33% in Writing and 35% in Maths. These figures are well above national figures and are in line with what one might expect from an outstanding school. Overall, they are a very strong set of results.

a. GOING CONCERN

After making appropriate enquiries, the directors have a reasonable expectation that the 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.

b. KEY FINANCIAL PERFORMANCE INDICATORS

The Trust uses a number of financial key performance indicators to monitor financial success of the Trust and progress/improvement against the targets set.

Staffing costs are monitored as a percentage of total income. At Bourton Meadow Academy, for the period ended 31 August 2015 staffing costs amounted to 70.2% of total non capital income. At George Grenville Academy for the period ended 31 August 2015 staffing costs amounted to 56.3% of total non capital income.

The Trust also monitors its operating surplus or deficit as a percentage of total income. For the period ended 31 August 2015 the operating surplus equated to 11.8% of total income (excluding LGPS and restricted fixed asset funds).

The Trust also uses a number of non-financial key performance indicators to monitor its performance. These include:

- KS1 level 2 and 3 achievements exceed regional and national percentages;
- KS2 level 4 & 5 achievements exceed regional and national percentages;
- Pupil attendance rates – for the year ended 31 August 2015 pupil attendance was 96.3% at Bourton Meadow Academy and 94.7% at George Grenville Academy.

c. FINANCIAL REVIEW

Most of the Academy's income (83%) is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. A significant amount (10%) is generated from extended schools which include breakfast, after-school, Nursery, trips and school meals. Grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

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During the period ended 31 August 2015, total expenditure of £3,696,674, excluding depreciation, was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension) was £485,381.

At 31 August 2015 the net book value of fixed assets was £5,483,560 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

There was a significant transaction with George Grenville Academy joining the Trust. In addition, there were a number of minor (capital) projects that were undertaken to support the schools overall objectives, such as:

- Installation of new windows and doors
- Investment in curriculum resources to enhance support early reading and writing to include training and development in new phonics programme across the Academy
- Investment in upgrading IT across the Academy to include new smartboards and laptops

It is noted that the pension deficit is £736,000 as per the Financial Reporting Standard 17 valuation statement as at 31 August 2015.

The Academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard 17. A deficit has been recognised at 31 August 2015. Future contribution rates are adjusted so as to reduce this deficit.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's risk management procedures are outlined in the Trustees Report. The Trustees believe that its risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Trust.

The Bourton Meadow Education Trust does not have significant trade debtors as invoiced income is a minor ancillary activity. Good credit control is practised including, where possible, invoicing in advance e.g. Nursery (where systems allow).

Cash flow is monitored daily by the Education Trust and budgets presented to the Board of Trustees consider cash flow and liquidity in detail. The Trust plans to build up cash reserves to enable it to plan for future capital projects.

b. PRINCIPAL RISKS AND UNCERTAINTIES

Through the Trust's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the Board of Trustees are:

- Change in Government funding regime – the Trust receives 71% of its income from Government agencies;
- Reduction in pupil numbers either through competition or a damaged reputation/falling standards – Bourton Meadow Academy prides itself on the OFSTED grading from its 2013 inspection as a School which rated it as Outstanding, and recognises the importance of maintaining these standards. The significant improvements in George Grenville Academy have made this school more attractive to parents and numbers have significantly increased.

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Key controls that the Academy has in place to mitigate these risks include:

- Attendance at Government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Trust funding methodology;
- Appropriate organisational structure with several tiers of review;
- Internal quality assurance reviews and self-assessments.

c. RESERVES POLICY

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £274,455. The Trust intends to continue building up free reserves to the level needed.

d. FINANCIAL POSITION

The Academy held fund balances at 31 August 2015 of £6,013,006 comprising £493,383 of restricted funds, £5,981,168 of restricted fixed asset funds, £274,455 of unrestricted general funds and a pension reserve deficit of £736,000.

e. MATERIAL INVESTMENTS POLICY

The Trust continuously reviews and updates its investment policy with surplus cash funds being held in a deposit account in a high street bank.

Plans for future periods

a. FUTURE DEVELOPMENTS

The main aim of the Trust is to support and develop the education of all children within the Buckingham community. The Trust will continue striving to improve the levels of performance of children within the Trust at all levels and will continue its efforts to ensure its pupils leave primary school having reached their maximum potential.

The Trust aims in the future to provide school improvement services to other schools but will only do so in a way that does not jeopardise the achievement of pupils in the Trust's own schools. George Grenville Academy became part of the Trust on 1 February 2015 and Lace Hill Academy will open as part of the Trust on 1st September 2015. Our aim is to ensure that both these schools are operating with the same level of outstanding achievement that the Bourton Meadow Academy is renowned for. We plan to expand our Initial Teacher Training Centre to accept more trainees and we are looking at other ways of broadening the work of this part of the Trust. Any further expansion of the Trust will be in accordance with its stated vision.

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TRUSTEES' REPORT (continued)
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FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy holds no funds as custodian Trustee on behalf of others.

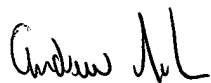
DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Trustees are aware:

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

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 12 November 2015 and signed on the board's behalf by:



Mr A J MacGarvey
Chair of Trustees

THE BOURTON MEADOW EDUCATION TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Executive 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 The Bourton Meadow Education Trust and the Secretary of State for Education. Some directors are responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A MacGarvey (Chief Executive)	6	6
Mr M Kitson (Executive Headteacher)	6	6
Mr L Harrison	6	6
Mr P Fealey	6	6
Mrs C Conquest	6	6

Bourton Meadow:

Attendance during the period at meetings of the Local Governing Body of Bourton Meadow Academy was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr A J MacGarvey (resigned 09/02/2015)	2	3
Mr L Harrison	2	6
Mr R Main, Headteacher	6	6
Mr P Fealey, Chair of Governors	5	6
Mrs P Croucher (appointed 11/12/2014)	3	4
Mr B Boggie (appointed 09/01/2015)	4	4
Mrs A Brown (appointed 06/05/2015)	1	2
Mrs D Bowden	6	6
Mrs C Conquest	5	6
Mrs J Harte (resigned 13/10/2014)	1	2
Mr S Rogers	4	6
Mr M Foster (appointed 06/05/2015)	1	2
Mrs J Bunyan (appointed 28/01/2015)	5	6
Mrs L Handley	4	6
Mr C A Rose (appointed 14/01/2015)	4	6
Mrs S L Joubert	3	6
Mrs K Duckmanton (appointed 28/01/2015)	3	4
Mrs A McGuigan	6	6
Mrs K Herring (appointed 06/05/2015)	1	1

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GOVERNANCE STATEMENT (continued)

The Finance, Personnel and Pay Review Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial position of the academy Trust and support staffing plans. This financial period has concentrated on establishing robust financial reporting and procedure for the Trust since conversion.

Attendance at meetings in the year was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr L J Harrison - Chair of Finance	6	6
Mr R Main (Headteacher)	6	6
Mr S Rogers	3	6
Mr C A Rose (appointed 14/01/2015)	4	6
Mr A J MacGarvey (Resigned 09/02/2015)	1	3
Mr B Boggie (Appointed 09/01/2015)	5	6
Mrs A McGuigan	6	6
Mrs J Harte (Resigned 26/11/2014)	1	2

George Grenville Academy:

Attendance during the period at meetings of the Local Governing Body of George Grenville Academy was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Rugg (Chairman)	5	5
Mr H Adams	5	5
Mr K Harvey	4	5
Mr A Pool	5	5
Mr S Townsend	4	5
Mrs H Buckley	4	5
Mrs A Cameron	4	5
Mr P Williams	4	5
Mr S Hendrickson	5	5
Mrs J Long	4	5
Mrs H Venn (Appointed 13/07/2015)	1	1
Mrs L Brown, Headteacher	5	5

The Finance, Personnel and Pay Review Committee is a sub-committee of the main board of the Trustees of George Grenville Academy. Its purpose is to monitor the financial position of the academy and the Trust and support staffing plans. This financial period has concentrated on establishing robust financial reporting and procedure for the Academy and the Trust since conversion.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mr H Adams (Chair)	3	3
Mrs A Rugg	3	3
Mr S Townsend	2	3
Mr S Hendrickson	0	3
Mrs L Brown	3	3

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As accounting officer, the Executive Headteacher has responsibility for ensuring that the 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 Trust has delivered improved value for money during the year by:

- The purchase of services as a Trust rather than by individual academies, thereby achieving economies of scale
- Carrying out in depth budget reviews in order to remove any unnecessary items
- Effective budget control during the year

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bourton Meadow Education Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Personnel and Pay Review 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 BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks. In particular the checks carried out in the current period include:

- Testing of payroll systems and controls
- Testing of purchase system and controls
- Testing of income systems and controls
- Testing of bank systems and controls

The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

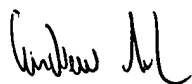
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 12 November 2015 and signed on its behalf, by:



Mr A J MacGarvey
Chair



Mr M J Kitson
Accounting Officer

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bourton Meadow Education Trust I have considered my responsibility to notify the Trust's Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook (2014).

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



Mr M J Kitson
Accounting Officer

Date: 12 November 2015

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors for the Bourton Meadow Education Trust 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 issued 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12 November 2015 and signed on its behalf by:



Mr A J MacGarvey
Chair

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOURTON MEADOW EDUCATION TRUST

We have audited the financial statements of The Bourton Meadow Education Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement set out on page 16, the Trustees (who are also the directors of the trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOURTON MEADOW EDUCATION TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Rebecca Hughes

Rebecca Hughes BSc (Hons) FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 17 December 2015

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOURTON MEADOW EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bourton Meadow Education Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE BOURTON MEADOW EDUCATION TRUST'S AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Bourton Meadow Education Trust's funding agreement with the Secretary of State for Education dated 8 February 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes;

- Reviewing the minutes of meetings of the board of trustees and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the company;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
BOURTON MEADOW EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- Making enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: *17 December 2015*

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transferred from local authority on acquisition of Academy trust	3	-	(87,120)	1,555,595	1,468,475	-
Other voluntary income	3	1,693	90,351	-	92,044	77,766
Activities for generating funds	4	320,495	91,395	-	411,890	368,887
Investment income	5	1,102	-	-	1,102	914
Incoming resources from charitable activities:						
Funding for academy's educational operations		-	3,601,301	575,304	4,176,605	2,930,813
TOTAL INCOMING RESOURCES		323,290	3,695,927	2,130,899	6,150,116	3,378,380
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		645	93,674	-	94,319	79,416
Fundraising expenses and other costs		149,116	292,419	-	441,535	623,986
Charitable activities:						
Academy trust educational operations	8	-	3,143,595	143,089	3,286,684	2,547,608
Governance costs	9	-	17,225	-	17,225	15,450
TOTAL RESOURCES EXPENDED	7	149,761	3,546,913	143,089	3,839,763	3,266,460
NET INCOMING RESOURCES BEFORE TRANSFERS		173,529	149,014	1,987,810	2,310,353	111,920

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note					
Transfers between Funds	18	-	52,838	(52,838)	-	-
NET INCOME FOR THE YEAR		173,529	201,852	1,934,972	2,310,353	111,920
Actuarial losses on defined benefit pension schemes		-	14,000	-	14,000	(69,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		173,529	215,852	1,934,972	2,324,353	42,920
Total funds at 1 September 2014		100,926	(458,469)	4,046,196	3,688,653	3,645,733
TOTAL FUNDS AT 31 AUGUST 2015		274,455	(242,617)	5,981,168	6,013,006	3,688,653

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.


The notes on pages 26 to 49 form part of these financial statements.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07867334

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		5,483,560		4,008,783
CURRENT ASSETS					
Debtors	16	326,580		162,495	
Cash at bank and in hand		1,159,172		361,393	
		<u>1,485,752</u>		<u>523,888</u>	
CREDITORS: amounts falling due within one year	17	<u>(220,306)</u>		<u>(284,018)</u>	
NET CURRENT ASSETS			<u>1,265,446</u>		<u>239,870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,749,006</u>		<u>4,248,653</u>
Defined benefit pension scheme liability	26		<u>(736,000)</u>		<u>(560,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>6,013,006</u></u>		<u><u>3,688,653</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Restricted funds	18	493,383		101,531	
Restricted fixed asset funds	18	5,981,168		4,046,196	
Restricted funds excluding pension liability		<u>6,474,551</u>		<u>4,147,727</u>	
Pension reserve		<u>(736,000)</u>		<u>(560,000)</u>	
Total restricted funds			<u>5,738,551</u>		<u>3,587,727</u>
Unrestricted funds	18		<u>274,455</u>		<u>100,926</u>
TOTAL FUNDS			<u><u>6,013,006</u></u>		<u><u>3,688,653</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 November 2015 and are signed on their behalf, by:



Mr A J MacGarvey
Chair

The notes on pages 26 to 49 form part of these financial statements.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	860,159	311,596
Returns on investments and servicing of finance	21	1,102	914
Capital expenditure and financial investment	21	(62,271)	(173,225)
CASH INFLOW BEFORE FINANCING		798,990	139,285
Financing	21	(1,211)	(16,544)
INCREASE IN CASH IN THE YEAR		797,779	122,741

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	797,779	122,741
Cash outflow from decrease in debt and lease financing	1,211	16,544
MOVEMENT IN NET FUNDS IN THE YEAR	798,990	139,285
Net funds at 1 September 2014	358,382	219,097
NET FUNDS AT 31 AUGUST 2015	1,157,372	358,382

All of the cash flows are derived from acquisitions in the current financial period.

The notes on pages 26 to 49 form part of these financial statements.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 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 trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

• Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

• Donated goods, facilities and services

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's policies.

• Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

• **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided for on completion of the service.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

• **Costs of generating funds**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

• **Charitable activities**

Charitable activities are costs incurred in the trust's educational operations.

• **Governance costs**

Governance costs include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

1.5 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 and include grants from the Department for Education.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Long-term leasehold property	-	0.8% - 16% straight line
Plant and machinery	-	6.66%/ 25% straight line
Office equipment	-	20% straight line
Computer equipment	-	33.3% straight line

1.7 Operating leases

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

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Taxation

The 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Conversion to an academy trust

The conversion from a state maintained school to an trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from George Grenville Combined School to the trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Bourton Meadow Education Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land & Buildings and Other Fixed Assets, pension and other assets and liabilities transferred on conversion are shown in note 24.

1.11 Agency arrangements

The trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

THE BOURTON MEADOW EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the trust was subject to limits at 31 August 2015 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.

No academies within the trust have exceeded these limits during the year ended 31 August 2015.

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transferred from local authority on acquisition of Academy trust	-	1,468,475	1,468,475	-
Donations	1,693	90,351	92,044	77,766
	<u>1,693</u>	<u>1,558,826</u>	<u>1,560,519</u>	<u>77,766</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Rental income	12,667	-	12,667	10,122
School meal income	-	82,290	82,290	143,973
School funds	303,841	-	303,841	208,842
Miscellaneous income	3,987	9,105	13,092	5,950
	<u>320,495</u>	<u>91,395</u>	<u>411,890</u>	<u>368,887</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	1,102	-	1,102	914

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General annual grant (GAG)	-	2,190,157	2,190,157	1,961,286
Start-up grants	-	-	-	65,000
Capital grant	-	541,304	541,304	85,811
Other DfE/EFA	-	526,413	526,413	523,753
	-	3,257,874	3,257,874	2,635,850
Other government grants				
Local authority grants	-	433,731	433,731	259,843
	-	433,731	433,731	259,843
Other funding				
Other income	-	485,000	485,000	35,120
	-	485,000	485,000	35,120
	-	4,176,605	4,176,605	2,930,813

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015	2015	2015	2015	2014
	£	£	£	£	£
Costs of generating funds:					
Costs of generating voluntary income	6,692	-	87,627	94,319	79,416
Costs of activities for generating funds	320,953	-	120,582	441,535	623,986
Subtotal costs of generating funds	327,645	-	208,209	535,854	703,402
Charitable activities:					
Direct costs	1,476,409	-	215,312	1,691,721	1,388,940
Support costs	959,132	434,146	201,685	1,594,963	1,158,668
Subtotal charitable activities	2,435,541	434,146	416,997	3,286,684	2,547,608
Governance	-	-	17,225	17,225	15,450
	2,763,186	434,146	642,431	3,839,763	3,266,460

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,226,868	1,003,485
National insurance	85,717	65,289
Pension cost	163,824	129,334
Educational supplies	74,281	60,640
Staff development	141,031	130,192
	<u>1,691,721</u>	<u>1,388,940</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	720,224	522,730
National insurance	31,980	25,931
Pension cost	206,928	128,057
Depreciation	143,089	121,918
FRS17 Pension costs	13,000	18,000
Staff development	1,154	-
Insurance	27,737	21,767
Maintenance of premises and equipment	242,221	90,253
Cleaning	7,051	8,116
Rent and rates	14,140	12,520
Light and heat	27,645	20,842
Security and transport	4,260	1,523
Catering	4,138	668
Office overheads	14,536	12,628
Legal and professional fees	77,253	134,802
Bank charges	448	521
Profit/(loss) on disposal of fixed assets	-	764
Other costs	59,159	37,628
	<u>1,594,963</u>	<u>1,158,668</u>
	<u><u>3,286,684</u></u>	<u><u>2,547,608</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	9,825	9,825	6,050
Auditors' non audit costs	-	7,400	7,400	9,400
	<u>-</u>	<u>17,225</u>	<u>17,225</u>	<u>15,450</u>

10. NET INCOMING RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	143,089	121,918
Auditor's remuneration	9,825	6,050
Auditor's remuneration - non-audit	7,400	9,400
Operating lease rentals:		
- other operating leases	26,299	17,483
Loss on disposal of fixed assets	-	764
	<u> </u>	<u> </u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,204,070	1,917,864
Social security costs	128,373	104,694
Other pension costs	408,861	291,120
	<u>2,741,304</u>	<u>2,313,678</u>
Supply teacher costs	21,882	-
	<u>2,763,186</u>	<u>2,313,678</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF (continued)

b. Staff numbers

The average number of persons employed by the trust during the year expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Teachers	34	30
Administration and support	76	46
Management	8	4
	118	80

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers Pension Scheme.

12. CENTRAL SERVICES

No central services were provided by the trust to its academies during the year and no central charges arose.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015 £	2014 £
Mrs A Taylor-Hopkins, Headteacher & Accounting Officer from 1 September 2013 until 31 March 2014		
Remuneration	Nil	55,000-60,000
Employer's pension contributions	Nil	5,000-10,000

During the year Mr M J Kitson, Executive Headteacher and Accounting Officer, invoiced the Academy Trust £55,802 (2014 - £17,500), of which £53 (2014 - £nil) was reimbursement of expenses, in respect of his work on a self-employed basis as Executive Headteacher.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was included in the total insurance cost of £27,737 (2014 - £21,787).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 September 2014	3,987,040	-	154,481	69,039	91,295	4,301,855
Additions	40,032	-	6,657	3,994	11,588	62,271
Transferred on acquisition of Academy trust	-	1,514,000	-	19,432	22,163	1,555,595
Disposals	-	-	-	-	(4,625)	(4,625)
At 31 August 2015	4,027,072	1,514,000	161,138	92,465	120,421	5,915,096
Depreciation						
At 1 September 2014	205,932	-	17,459	18,630	51,051	293,072
Charge for the year	82,368	13,661	7,056	15,077	24,927	143,089
On disposals	-	-	-	-	(4,625)	(4,625)
At 31 August 2015	288,300	13,661	24,515	33,707	71,353	431,536
Net book value						
At 31 August 2015	3,738,772	1,500,339	136,623	58,758	49,068	5,483,560
At 31 August 2014	3,781,108	-	137,022	50,409	40,244	4,008,783

16. DEBTORS

	2015 £	2014 £
Trade debtors	2,290	36,636
VAT recoverable	30,064	24,431
Other debtors	4,800	-
Prepayments and accrued income	289,426	101,428
	<u>326,580</u>	<u>162,495</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Capital loans	1,800	3,011
Trade creditors	-	3,039
Other taxation and social security	43,612	41,218
Other creditors	49,380	38,364
Accruals and deferred income	125,514	198,386
	<hr/> 220,306 <hr/>	<hr/> 284,018 <hr/>

The capital loan is a Salix loan that relates to a lighting updagrade.

	£
Deferred income	
Deferred income at 1 September 2014	78,678
Resources deferred during the year	99,619
Amounts released from previous years	(78,678)
	<hr/> 99,619 <hr/>

Deferred income relates to income received in advance for trips, school meals and music tuition, free school meals grant income and rates income received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	100,926	323,290	(149,761)	-	-	274,455
Restricted funds						
General annual grant (GAG)	32,863	2,190,157	(2,274,856)	52,838	-	1,002
Local authority grants	-	235,003	(199,843)	-	-	35,160
Other DfE/EFA grants	(1,750)	303,579	(301,426)	-	-	403
Restricted donations	3,310	85,963	(87,197)	-	-	2,076
School meals	15,980	82,291	(98,271)	-	-	-
Lace Hill Academy	51,102	625,098	(273,023)	-	-	403,177
Miscellaneous restricted	-	13,491	(5,391)	-	-	8,100
SEN funding	-	24,630	(24,630)	-	-	-
Other grants	-	126,000	(126,000)	-	-	-
Pupil premium	-	96,835	(96,798)	-	-	37
Transfer from LA	26	49,880	(6,478)	-	-	43,428
Pension reserve	(560,000)	(137,000)	(53,000)	-	14,000	(736,000)
	(458,469)	3,695,927	(3,546,913)	52,838	14,000	(242,617)
Restricted fixed asset funds						
DfE/EFA unspent capital grants	37,413	501,498	-	(41,305)	-	497,606
DfE/EFA spent capital grants	-	39,806	-	(3,089)	-	36,717
Capital expenditure from other funds	285,757	34,000	(12,104)	(34,000)	-	273,653
Capital expenditure from GAG	59,026	-	(33,428)	25,556	-	51,154
Capital transferred from LA	3,664,000	1,555,595	(97,557)	-	-	5,122,038
	4,046,196	2,130,899	(143,089)	(52,838)	-	5,981,168
Total restricted funds	3,587,727	5,826,826	(3,690,002)	-	14,000	5,738,551
Total of funds	3,688,653	6,150,116	(3,839,763)	-	14,000	6,013,006

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS (continued)

The transfer between restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period and capital monies used for revenue expenditure.

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

Restricted general funds will be used for educational purposes in line with the trust's objects and its funding agreement with the Educational Funding Agency.

Restricted fixed asset funds will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the trust's facilities.

Under the funding agreement with the Secretary of State, the trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Bourton Meadow Academy	684,764
George Grenville Academy	83,074
	<hr/>
Total before fixed asset fund and pension reserve	767,838
Restricted fixed asset fund	5,981,168
Pension reserve	(736,000)
	<hr/>
Total	6,013,006
	<hr/> <hr/>

Analysis of academies by cost

Expenditure incurred by each academy during the year excluding depreciation was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Bourton Meadow Academy	2,049,420	464,772	250,108	601,785	3,366,085
George Grenville Academy	245,680	41,205	9,812	25,892	322,589
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,295,100	505,977	259,920	627,677	3,688,674
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	100,926	323,290	(149,761)	-	-	274,455
Restricted funds	(458,469)	3,695,927	(3,546,913)	52,838	14,000	(242,617)
Restricted fixed asset funds	4,046,196	2,130,899	(143,089)	(52,838)	-	5,981,168
	<u>3,688,653</u>	<u>6,150,116</u>	<u>(3,839,763)</u>	<u>-</u>	<u>14,000</u>	<u>6,013,006</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	5,483,560	5,483,560	4,008,783
Current assets	274,455	713,689	497,608	1,485,752	523,888
Creditors due within one year	-	(220,306)	-	(220,306)	(284,018)
Pension Scheme liability	-	(736,000)	-	(736,000)	(560,000)
	<u>274,455</u>	<u>(242,617)</u>	<u>5,981,168</u>	<u>6,013,006</u>	<u>3,688,653</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	2,310,353	111,920
Returns on investments and servicing of finance	(1,102)	(914)
Fixed assets transferred from LA	(1,555,595)	-
Depreciation of tangible fixed assets	143,089	121,918
Increase in debtors	(164,085)	(77,293)
(Decrease)/increase in creditors	(62,501)	120,965
Pension scheme liability transferred from LA	137,000	-
FRS 17 adjustments	53,000	35,000
Net cash inflow from operations	<u>860,159</u>	<u>311,596</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,102	914
	<u>1,102</u>	<u>914</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(62,271)	(174,989)
Sale of tangible fixed assets	-	1,764
	<u>(62,271)</u>	<u>(173,225)</u>
Net cash outflow capital expenditure	<u>(62,271)</u>	<u>(173,225)</u>
	2015 £	2014 £
Financing		
Repayment of loans	(1,211)	(16,544)
	<u>(1,211)</u>	<u>(16,544)</u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	361,393	797,779	1,159,172
Debt:			
Debts due within one year	(3,011)	1,211	(1,800)
Net funds	<u>358,382</u>	<u>798,990</u>	<u>1,157,372</u>

23. MEMBERS' LIABILITY

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. CONVERSION TO AN ACADEMY TRUST

On 1 February 2015 George Grenville Combined School converted to trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Bourton Meadow Education Trust from Buckinghamshire County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	1,514,000	1,514,000
- Other tangible fixed assets	-	-	41,595	41,595
Budget surplus on LA funds	-	49,880	-	49,880
LGPS pension deficit	-	(137,000)	-	(137,000)
Net assets	-	(87,120)	1,555,595	1,468,475

There was no cash transferred on conversion.

25. CAPITAL COMMITMENTS

At 31 August 2015 the trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	498,498	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS

The trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Buckinghamshire County Council. Both are multi employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £147,261 (2014: £129,222).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £235,000, of which employer's contributions totalled £188,000 and employees' contributions totalled £47,000. The agreed contribution rates for future years are 22.8% for employers and between 5.5% - 12.5% 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

The trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	4.00	475,000	6.70	295,000
Bonds	4.00	213,000	3.30	134,000
Property	4.00	69,000	5.90	40,000
Cash	4.00	29,000	2.90	9,000
Other assets	4.00	76,000	6.70	44,000
Total market value of assets		862,000		522,000
Present value of scheme liabilities		(1,598,000)		(1,082,000)
(Deficit)/surplus in the scheme		(736,000)		(560,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,598,000)	(1,082,000)
Fair value of scheme assets	862,000	522,000
Net liability	(736,000)	(560,000)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Interest on obligation	(52,000)	(37,000)
Expected return on scheme assets	39,000	19,000
Current service cost	(228,000)	(139,000)
Total	(241,000)	(157,000)
Actual return on scheme assets	20,000	36,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	1,082,000	702,000
Interest cost	52,000	37,000
Contributions by scheme participants	47,000	31,000
Actuarial (Gains)/losses	(33,000)	177,000
Obligations inherited on acquisition of Academy trust	226,000	-
Benefits paid	(4,000)	(4,000)
Current service costs	228,000	139,000
	<u>1,598,000</u>	<u>1,082,000</u>
Closing defined benefit obligation	<u>1,598,000</u>	<u>1,082,000</u>

Movements in the fair value of the trust's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	522,000	246,000
Expected return on assets	39,000	19,000
Actuarial gains and (losses)	(19,000)	108,000
Contributions by employer	188,000	122,000
Contributions by employees	47,000	31,000
Benefits paid	(4,000)	(4,000)
Assets inherited on acquisition of Academy trust	89,000	-
	<u>862,000</u>	<u>522,000</u>
	<u>862,000</u>	<u>522,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £108,000 losses (2014 - £122,000 losses).

The trust expects to contribute £204,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	55.00 %	56.00 %
Bonds	24.00 %	26.00 %
Property	8.00 %	8.00 %
Cash	3.00 %	2.00 %
Other assets	10.00 %	8.00 %

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26. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.70 %	5.70 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	23.7	23.6
Females	26.1	26.0
Retiring in 20 years		
Males	26.0	25.8
Females	28.4	28.3

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(1,598,000)	(1,082,000)	(702,000)	(548,000)
Scheme assets	862,000	522,000	246,000	157,000
Deficit	(736,000)	(560,000)	(456,000)	(391,000)
Experience adjustments on scheme liabilities	-	(177,000)	(42,000)	-
Experience adjustments on scheme assets	(19,000)	108,000	19,000	2,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	1,084	-
Between 2 and 5 years	16,432	26,299

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28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year Mr M J Kitson, Executive Headteacher and Accounting Officer, invoiced the Trust £55,802 (2014 - £17,500) in respect of his work on a self-employed basis as Executive Headteacher.

No other related party transactions took place in the year other than the above and those disclosed in note 13.

29. POST BALANCE SHEET EVENTS

The Bourton Meadow Education Trust has received income during the year relating to Lace Hill Academy. Lace Hill Academy opened on 1 September 2015 and joined the Trust at that date. The income received during the year was £625,098 for the set up of the Academy.

30. CONTROLLING PARTY

There is no ultimate controlling party.

31. COMPANY LIMITED BY GUARANTEE

The Trust is a company limited by guarantee and does not have share capital.

32. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the Trust received £61,800 and disbursed £66,600 from the fund. An amount of £4,800 is included in other debtors relating to distributed funds that is receivable from EFA.