

Company Registration No. 08769073 (England and Wales)

BURY COLLEGE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

BURY COLLEGE EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 – 2
Trustees' report	3 – 11
Governance statement	12 – 13
Statement on regularity, propriety and compliance	14
Statement of trustees' responsibilities	15
Independent auditor's report on the accounts	16 – 18
Independent reporting accountant's report on regularity	19 – 20
Statement of financial activities including income and expenditure account	21 – 22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 – 42

BURY COLLEGE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Name	Commencing	Ceasing
Peter Nicol (subscriber to the Memorandum of Association)	11 November 2013	-
Charlie Deane (Corporate Member)	11 November 2013	-
Mark Granby (Chair of Trustees)	25 January 2016	-
Janet Butterworth	12 July 2017	-
Vacancy		

Trustees

Name	Date of appointment	Term of Office	Date of resignation	Committees
Charlie Deane	September 2017	4 years	-	N/A
Roger Holt	September 2017	4 years	-	Audit Committee
Christopher Trees	September 2017	4 years	-	Audit Committee
Mark Granby (Chair)	January 2016	4 years	-	N/A
Nicola Nelson	January 2017	4 years	31 August 2019	Audit Committee
Steph Isherwood	September 2017	4 years	-	N/A

Local Governing Body: Radcliffe Primary School

Name	Date of appointment	Term of Office	Date of resignation	Designation
Glyn Whitworth (Chair)	January 2018	4 years	-	Community
Paul Coates	January 2018	4 years	-	Community
Mark Taylor	July 2018	4 years	-	Community
Nicola Nelson	January 2018	Ex officio	31 August 2019	Executive Head
Laura Kennedy-Holmes	March 2018	4 years	-	Parent
Debbie Magid	May 2018	4 years	31 August 2019	Co-opted
Jane Dennis	October 2014	4 years	-	Community
Belinda McKenna	January 2016	4 years	-	Staff
Alyson Walsh	September 2019	Ex officio		Headteacher

Local Governing Body: Elton Primary School

Name	Date of appointment	Term of Office	Date of resignation	Designation
Gemma Capps	November 2014	4 years	13 June 2019	Parent
Jodie Lomax	November 2014	4 years	-	Parent
Rachel Pars	January 2017	Ex Officio	-	Headteacher
Sheree Ailion (Chair)	January 2017	4 years	-	Community
Jack Talbot-Bagnell	March 2017	4 years	-	Parent
Leah Davies	September 2017	4 years	-	Staff
Jane Chapman	November 2017	4 years	-	Community
Kirsty Jones	March 2019	4 years	-	Parent
Liz Rogerson	March 2019	4 years	-	Parent

BURY COLLEGE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Clerk to the Trustees	David Pearce of ONE Education
Registered Office	Bury College Education Trust Beacon Centre Market Street Bury BL9 0AT
Company Registration Number	08769073 (England and Wales)
Chief Executive Officer and Accounting Officer	Nicola Nelson (until 31 August 2019)
Interim Accounting Officer	Lesley Taylor (from 1 September 2019)
Principal Finance Officer	Andrew Harrison
Independent Auditors	Haines Watts Bridge House Ashley Road, Hale Altrincham WA14 2UT
Bankers	Lloyds Bank Hotel Street Bolton Lancashire BL1 1DB
Solicitors	The academy has not appointed solicitors but takes legal advice from appropriate legal firms depending on area of expertise
Company Secretary	Andrew Harrison
Executive Team	Nicola Nelson: Executive Director of Education/CEO/Executive Headteacher Radcliffe Primary (until 31 August 2019) Lesley Taylor: Chief Operating Officer and Interim Chief Executive Officer (from 1 September 2019) David Stephens: Interim Executive Headteacher (from 1 September 2019) Clare Tooth: Finance Manager Rachel Pars: Headteacher Elton Primary Alyson Walsh: Headteacher Radcliffe Primary (from 1 September 2019)

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The trust operates two primary schools in the borough of Bury: Radcliffe Primary School and Elton Primary School. They have pupil capacity of 380 and 345 respectively, and had a roll of 317 and 316 in the School census on 4 October 2018.

Structure, governance and management

Constitution

The charitable company was incorporated on 11 November 2013. The company's number is 08769073 and its registered office address is Bury College, Beacon Centre, Market Street, Bury, BL9 0AT.

Bury College Education Trust (BCET) is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the trust.

The trustees of Bury College Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Further details are disclosed in note 11 to the financial statements.

Method of recruitment and appointment or election of trustees

A trustee's term of office is four years but they are eligible for re-election at the meeting at which they retire. The chair is elected annually by the trustees. The management of the academy trust is the responsibility of the trustees who are appointed and co-opted under the terms of the articles of association.

The trustees appoint separate committees known as local governing bodies for each academy, which operate according to the trust's scheme of delegation. The establishment, terms of reference, constitution and membership of any committee of the directors may be reviewed annually.

New trustees are appointed by the members and trust board, they are recruited through networking and assessing suitability to fill skills gaps on the board.

Policies and procedures adopted for the induction and training of trustees

All new trustees have an induction meeting usually with the chair. The training and induction process will depend on their existing experiences. Trustees are advised of relevant training and development opportunities and the trust buys into a local trustee/governor development collaborative. This gives them access to face to face training sessions and the NGA Learning Link platform. Trustees have access to all policies, improvement plans, minutes and other relevant documentation they need to undertake their role as a trustee.

Organisational structure

The trust's board retains ultimate accountability and responsibility for the operation of the trust and is responsible for the strategic management of the trust; setting the strategic direction; adopting an annual plan and budget; monitoring key performance indicators including fiscal management; the oversight of audit requirements and audit activities of the trust, capital expenditure and senior staff appointments.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

There are different layers of leadership and management within the BCET. The trust's board outlines clear divisions of accountability and responsibility.

- Trust's board: the trust's board retains ultimate accountability as trustees and responsibility for the operation of the trust.
- Local governing bodies (LGBs): each of the academies within the BCET has its own LGB which is accountable to the trust's board. Each LGB discharges duties on behalf of the trust's board and works within the remit of an agreed and understood scheme of delegation.
- The Executive Director of Education and, since 1 September 2019 the Executive Headteacher, has an overview of school improvement and works closely with the leadership teams in each school.
- Leadership teams in the schools consist of the Headteacher; Deputy Headteachers and Assistant Headteachers.

The trust adopted a Governance Handbook in the summer term of 2019 detailing terms of reference for committees including the LGBs.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Executive Director of Education is reviewed and set by the trust board. The pay award for the remaining staff is set by the local governing body and Executive Director of Education.

Trade union facility time

The academy does not have any trade union facility time.

Related parties and other connected charities and organisations

Bury College is the sponsor of Bury College Education Trust. The college nominates trustees some of which are college governors. There are a few transactions between the parties following a provision of services and these are described in note 22.

Objectives, strategies and activities

Objects and aims

The principal object and activity of the academy trust is the operation of academies to provide education for pupils of different abilities. Academies are independent schools which provide education for pupils of different abilities who are wholly or mainly drawn from the area in which the academy is situated. The academies do not impose any charge in respect of admission of pupils.

The over-arching commitment of the trust is: 'Working in partnership to ensure that every child's success is at the heart of all we do.'

Our values:

Learning: making sure that we are at the forefront of educational innovation and bringing this innovation to our schools for the benefit of children and adults so that we are always striving to provide a 'world class education.'

Leadership: we recognise that visionary leadership and strong accountability will have the strongest impact in our schools; we will ensure that we invest in our people so that we are continuously growing skills, abilities and enthusiasm. We will seek out the best talent and recognise the 'possible' in each individual.

Inspiration: working in partnership with the best people in order to bring expertise to every area of the curriculum so that we provide children with the skills, abilities, and aspiration to reach the highest heights.

Inclusion: Keeping our focus on the needs of each unique community in which our schools play a part so that the Trust serves everyone and believes that each unique individual can and must succeed.

We want to show our children:

'THE POWER OF YET'

- We will show our children the possibility of what is 'out there'.....
- We will show our children that they can do whatever they want to.....
- We will show our children that they have choices
- We will teach our children to aspire

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

In our trust, we understand the importance of strong leadership and we will invest in our people in the following ways:

- We will provide mentoring for our senior leaders
- We will operate a coaching culture
- We will recognise individual talent and use it in the best possible way
- We will develop individual interests
- We will provide opportunities to work across the trust

Our curriculum:

- We will develop a curriculum tailored to meet the needs of the children in each of our schools
- We will develop curriculums that teach our children about values that go beyond the classroom so that they are being prepared for their future adult lives
- We will develop a high level tracking system that is the same in each of our schools so that we can closely monitor and facilitate the success of each child
- We will develop an EYFS curriculum that is mirrored in each of our schools, ensuring that our children have a strong start to their time with us
- Our systems and processes for supporting children with SEND will be mirrored in each school and based on the very best, most inclusive practice

Partnerships:

- We will work closely with our communities to develop strong links with parents and families and we will operate an open door policy
- Behaviour in our schools will be based on positive behaviour strategies and we will be flexible and inclusive in our support for all of our pupils
- We will work with other schools both locally and further field in order to bring the best expertise to our schools and in order to participate in exciting projects for the benefit of all adults and children
- We work in transparency with the local authority and central government

The trust has been working with the Headteacher, David Stephens, and the governing body at Park View Primary School, a very strong school, to form a partnership arrangement in 2019/20. The trust has received the consent of the DfE to enter into this agreement that trustees believe will be mutually beneficial to both parties with the potential for future growth of the trust.

Objectives, strategies and activities

The trust's main strategy is to raise standard of progress and achievement through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the trust is teaching and learning and therefore the standards achieved by its pupils.

Key activities which support the main strategic purpose of the organisation are:

- quality of teaching and learning processes which are transparent and inform all subsequent actions;
- secure use of data and tracking to measure progress and inform actions and interventions; and
- school attendance monitoring.

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the academy.

In delivering its mission, the trust provides public benefits through the advancement of education, high-quality teaching and learning and pastoral care.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Admissions

Children are admitted using Bury Council's Admissions Policy and Process. Schools can allocate places to any potential pupil should a place be available. Reception admissions are handled by the local authority where there is a set deadline for applications. If this deadline is met the following criteria determines allocation of places:

- Looked after children
- Those with siblings already in school
- Shortest distance from school

Reception admissions would be the only time a 'catchment area' would come into consideration and only when the demand for places was greater than availability. If parents fail to obtain a place they can appeal - appeals are overseen by the Local Authority Admissions Team at the moment.

Strategic report

Achievements and performance including key performance indicators

Radcliffe Primary School

Radcliffe Primary School is a larger than average sized primary school. Most pupils are of White British heritage and speak English as their first language. An above average proportion of pupils are known to be eligible for free school meals. The proportion of disabled pupils and those who have special educational needs is similar to the national average. Children are admitted following Bury Council's Admissions criteria.

Radcliffe Primary School was subject of an Ofsted inspection in February 2019. The inspectors judged the school as still requiring improvement.

The trust, through the local governing body, sets challenging targets for the Radcliffe Primary School on an annual basis.

Radcliffe Primary School 2018/2019 School improvement priorities

Key Priority 1: Teaching and Learning

Improve the quality of teaching so that it is consistently good and moving towards outstanding in order to accelerate progress and raise pupils' achievement in English and Mathematics by:

- making sure teachers' expectations of what pupils can achieve are always high enough;
- ensuring that teachers always provide work that is challenging enough and meets pupils' needs;
- making sure that teachers always ask questions that challenge pupils to extend their learning and deepen their understanding; and
- providing opportunities for teachers to observe and share existing good and outstanding teaching across the school and in other schools to enable them to improve their skills.

Key Priority 2: Leadership and management

Improve and strengthen all leadership and management in the school in order to rapidly raise standards of attainment and progress by:

- ensuring SLT roles and responsibilities are secure and impacting on achievement, progress of children and quality of teaching;
- developing the skills of middle leaders and ensuring that leadership responsibilities are distributed more widely across the staff;
- ensuring all pupil groups are identified, strengths and areas for development recognised and support/intervention planned is effectively starting to close any attainment gaps;
- ensuring that members of the governing body are more fully aware of performance in all areas of school life, but particularly in relation to pupils' achievements, in order that they can challenge the leadership with the utmost rigour.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Priority 3: Personal development, behaviour and welfare

To promote self-responsibility, respect and tolerance for others as part of pupils' spiritual, moral, social and cultural development by:

- developing children's abilities to be reflective about their own beliefs, religious or otherwise, that inform their perspective on life and their interest in and respect for different people's faiths, feelings and values;
- developing a Growth Mindset philosophy;
- introducing half termly whole school values and working towards Value based Education;
- increasing pupil involvement in developing aspects of SMSC; and
- enabling greater parental engagement.

Elton Primary School

Elton Primary School is a larger than average sized primary school. The majority of pupils are of White British heritage and speak English as their first language. An above average proportion of pupils are known to be eligible for free school meals. The proportion of disabled pupils and those who have special educational needs is similar to the national average. Children are admitted following Bury Council's Admissions criteria.

Elton Primary School was subject of an Ofsted inspection in November 2018. The school was judged as being good and was moved out of special measures.

Elton Primary School - School improvement plan 2018/2019

The school improvement plan for 2018/19 was based on the Ofsted key issues as identified in the November 2018 inspection.

Rapidly improve the quality of teaching and learning across the school to enable all pupils to make good or better progress by:

- ensuring that all teachers have high expectations of pupils' progress and outcomes;
- improving teachers' subject knowledge so that they are able to show and explain concepts well;
- planning lessons that engage and interest pupils – assessing pupils' understanding throughout lessons and adapting teaching where needed;
- ensuring that teachers' explanations and the activities set are appropriately challenging for pupils with different abilities;
- providing more opportunities for pupils to write at length and showing pupils how to structure their writing;
- ensuring that pupils have regular opportunities to explain their reasoning and use and apply their mathematical skills;
- improving the quality of provision in the early years by ensuring that pupils have regular opportunities to develop their number, writing and personal social skills;
- improve leadership and management, including governance by rapidly improving the impact of leaders in improving the quality of teaching and learning;
- ensuring that the pupil premium grant is appropriately and effectively spent to rapidly raise the achievement of disadvantaged pupils;
- developing the quality of middle leadership so that subject leaders contribute fully to improving teaching and standards in their subject area;
- using performance management more rigorously to hold staff to account for pupils' progress and their leadership responsibilities;
- improving the impact of governors in challenging leaders to bring about rapid improvement;
- increasing pupils' attendance and reducing the proportion of pupils who are persistently absent by engaging parents more effectively;
- ensuring that assessment procedures are robust, leaders identify any underachievement and support programmes are sharp and effective in raising attainment; and
- developing current initiatives to improve overall effectiveness of the school so that all pupils make good progress.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

BCET comparative end of key stage data 2019

Key:

EPS - Elton Primary School

RPS - Radcliffe Primary School

Nat - National

Early Years Foundation Stage (Reception) Good Level of Development (GLD)								
2016		2017		2018		2019		
EPS	RPS	EPS	RPS	EPS	RPS	EPS	RPS	Nat
66%	69%	50%	58%	69%	71%	79%	71%	72%

Year 1 Phonics Check								
2016		2017		2018		2019		
EPS	RPS	EPS	RPS	EPS	RPS	EPS	RPS	Nat
67%	63%	95%	61%	85%	80%	74%	73%	82%

Phonics Screening-Year Two retakes								
2016		2017		2018		2019		
EPS	RPS	EPS	RPS	EPS	RPS	EPS	RPS	Nat
91%	60%	67%	80%	75%	80%	100%	67%	91%

	2017						2018					
KS1	Expected or above			Greater depth			Expected or above			Greater depth		
	EPS	RPS	Nat	EPS	RPS	Nat	EPS	RPS	Nat	EPS	RPS	Nat
Maths	56%	69%	75%	5%	10%	20%	73%	70%	76%	7%	30%	21%
Reading	63%	67%	75%	9%	21%	25%	78%	70%	75%	7%	48%	25%
Writing	47%	64%	68%	5%	5%	16%	59%	70%	70%	5%	28%	16%

2019					
Expected or above			Greater depth		
EPS	RPS	Nat	EPS	RPS	Nat
76%	70%	76%	13%	20%	22%
76%	66%	75%	17%	14%	25%
76%	70%	70%	9%	16%	15%

KS1 Combined RWM	2017	2018	2019
EPS	40%	54%	65%
RPS	56%	70%	61%

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

KS2	2019			
	Expected or above		Greater depth	
	EPS	RPS	EPS	RPS
Maths	71%	67%	21%	13%
Reading	67%	63%	12%	17%
Writing	67%	75%	5%	13%
SPAG	69%	69%	21%	23%

EPS=47 children

RPS=50 children

KS2	2017				2018				
	Expected or above		Greater depth		Expected or above			High Score	
	EPS	RPS	EPS	RPS	EPS	RPS	Nat.	EPS	RPS
Maths	77%	58%	11%	8%	83%	68%	76%	21%	12%
Reading	47%	61%	8%	3%	72%	68%	75%	17%	28%
Writing	68%	69%	0%	6%	72%	73%	78%	7%	8%
SPAG	74%	89%	21%	19%	80%	71%	78%	27%	22%

KS2 Combined RWM	2017	2018	2019
EPS	45%	66%	52%
RPS	42%	50%	52%
National	61%	64%	65%

Equal opportunities and employment of disabled persons

Equal opportunities are promoted throughout the academies in all aspects of our work and learning. We want all our pupils regardless of gender, to have access to all curricular opportunities on an entirely equal basis. We also apply this principle to reflect and value all cultures, countering discrimination and prejudice of all kinds. Our comprehensive Equality and Inclusion Policy is available from the schools.

Disability statement

The trust seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Need and Disability Acts of 2001 and 2005 by:

- ensuring any building and grounds modifications are completed at the appropriate DDA level;
- the policy of the academy is to support recruitment and retention of staff with disabilities; and
- the academy has an Accessibility Plan which it reviews as part of the Site Development Plan.

Financial objectives:

The trust's financial objectives are:

- to manage school budgets effectively, avoiding any deficit, ideally maintaining an operating surplus of between 5% and 8% of school budget;
- to pursue alternative sources of funding, on a selective basis to improve the schools; and
- to fund continued capital investments.

The trust had an overall deficit of £134,000, excluding depreciation and adjustments related to the LGPS valuation, in the year ending 31 August 2019 and in this respect did not achieve all of its financial objectives.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future, with an operating surplus of between 5% and 8%. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The trust has carefully managed its funds during the year, and has remained in surplus despite an exceptional level needing to be spent on supply staff. This was most notable at Radcliffe Primary School where it is estimated that £123,000 was due to behaviour issues with some pupils. Measures taken were for an extra member of the senior leadership team in order to support the teachers with the challenging behaviour. Extra staffing was also brought in for some children who benefited from one-to-one tuition.

We also had another ill health retirement bill of £19,000, which was not covered in the new policy but the trust has insured against future liabilities. There was an in-year deficit of £134,000 (excluding depreciation and adjustments arising from introduction of the LGPS actuarial valuation), and reserves at 31 August 2019 are £47,000 of general funds all of which are unrestricted.

Significant savings were achieved when the catering staff were brought in house in June 2018.

The principal funding has been from the ESFA basic pupil funding. The trust received £3,000 during the year which was the balance of Condition Improvement Fund Grants from the ESFA to fully finance remedial repair work at Elton Primary School. Last year the trust had received £30,000 for the work that was carried out during February 2019. The trust also received £42,000 from the ESFA as devolved formula capital.

The trust has a defined pension liability of £1,954,000 (2018: £1,148,000) for the Greater Manchester Pension Fund as forecast using FRS102 by the Fund's Actuaries. The trustees consider that the trust is able to meet its known annual contributions to the fund the foreseeable future.

The risk and control framework

The board of trustees reviews the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The trust has undertaken work to develop and embed risk management. Trustees are responsible for the overseeing of the risks faced by the academy and the detailed considerations of risk are delegated to the senior leadership team. The academy's risk register is reviewed by the trustees and by the local governing bodies, who look at the major risks to which the academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the academy and its finances.

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 One Education to perform peer reviews.

Reserves policy

The trustees review the reserve levels of the academy 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 trustees will always try to match income and expenditure in the current year (set and manage a balanced budget), and will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate minimum level of free reserves should be equivalent to one month's payroll cost, approximately £220,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The balance of the restricted general fund and unrestricted general fund is £47,000 which is a little lower than the level considered to be appropriate. A significant reason for this occurring was the high cost of supply staff this year as noted at the start of this financial review. Steps have already been taken to reduce costs where this can be prudently done and so improve the level of free reserves.

The trust will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used, the trust will strive to rebuild free reserves up to the level needed.

Investment policy

Investments are approved by the trust's board and liaised with on recommendations regarding levels of cash balances and investment opportunities.

Principal risks and uncertainties

The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions to be taken to reduce and mitigate any risk. Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risk.

The principal risks for the trust during the next few years are any future reduction in pupil numbers within the academies and any changes to the funding formula. The academies closely monitor applications for places in and model the financial implications of any trends. Other key risks include outcomes not rising in the schools and the schools not receiving positive OFSTED reports.

Fundraising

The academy does not undertake any fundraising at this time.

Plans for future periods

The trust would still like to grow the number of schools in the MAT. However, trustees recognise that the key priority now is to continue to improve the outcomes for all children at both schools.

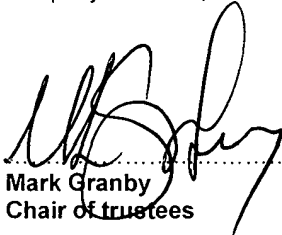
The trust will continue to apply for Condition Improvement Funding where able, to improve the fabric of the buildings where required.

Auditor

Insofar 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.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28 November 2019 and signed on its behalf by:



Mark Granby
Chair of trustees

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

The trustees acknowledge that they have overall responsibility for ensuring that the trust and each academy have 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.

An external review of governance was obtained in 2017 and the action plan worked through. The board of trustees intend to obtain an independent review in 2020.

The board of trustees had delegated the day to day responsibility to the chief executive officer as accounting officer, for ensuring financial controls conform to 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 Bury College Education Trust and the Secretary of State for Education. After 31 August 2019 this responsibility is with the new accounting officer who is also 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 statement of trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Attendance at BCET Board Meetings 2018-2019

	11 October 2018	12 December 2018	7 February 2019	18 April 2019	9 July 2019
Mark Granby (Chair)	1	1	1	1	1
Chris Trees	0	1	1	1	1
Roger Holt	1	1	1	1	1
Steph Isherwood	0	1	1	0	0
Charlie Deane	1	1	1	1	0
Nicola Nelson	1	1	1	1	1

The Audit Committee is a sub-committee of the trust. The role of the Audit Committee is to support the board in ensuring that a framework is established and maintained for the identification and management of risk and to monitor internal and external audit matters across all schools in the trust.

Attendance at meetings in the year was as follows:

	12 December 2018	14 May 2019	9 July 2019
Chris Trees (Chair)	1	1	1
Nicola Nelson	1	1	1
Roger Holt	1	1	1

Review of value for money

The accounting officer 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 trust's board 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:

- undertaking competitive tendering of building works;
- bringing caretaking and cleaning provision 'in house';
- bringing catering 'in house'; and
- redeploying staff based on needs in different areas.

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the trust for the year to 31 August 2019 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 academy trust's significant risks that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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 One Education to perform peer reviews.

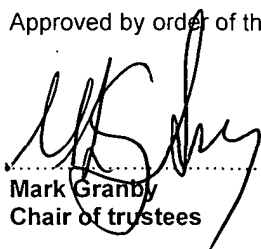
Review of effectiveness

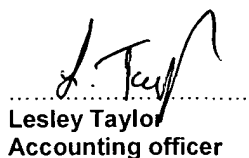
As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 28 November 2019 and signed on its behalf by:


Mark Granby
Chair of trustees


Lesley Taylor
Accounting officer

BURY COLLEGE EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

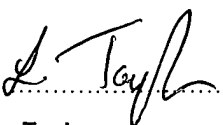
As accounting officer of Bury College Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance has 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 ESFA.

Non-financial issue:

- A local governor had supplied services to the trust but the academy did not disclose the transactions that took place after 1 April 2019 to the ESFA as required by the Financial Handbook 2018.



Lesley Taylor
Accounting officer

Date: 28 November 2019

BURY COLLEGE EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Bury College Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

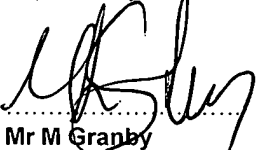
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 28 November 2019 and signed on its behalf by:



Mr M Granby
Chair of trustees

BURY COLLEGE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURY COLLEGE EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Bury College Education Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

BURY COLLEGE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURY COLLEGE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

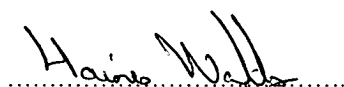
BURY COLLEGE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURY COLLEGE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date *28/09/19*

BURY COLLEGE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURY COLLEGE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 30 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bury College Education Trust during the period 1 September 2018 to 31 August 2019 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 Bury College Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bury College Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bury College Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bury College Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bury College Education Trust's funding agreement with the Secretary of State for Education dated 1 December 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BURY COLLEGE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURY COLLEGE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

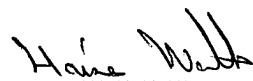
- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel;
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities;
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity;
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education;
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available;
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier;

Conclusion


In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Non-financial issue:

- A local governor had supplied services to the trust but the academy did not disclose the transactions that took place after 1 April 2019 to the ESFA as required by the Financial Handbook 2018.



Haines Watts
Reporting Accountant

Date: 

BURY COLLEGE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	3	5	-	45	50	291
Charitable activities:						
- Funding for educational operations	4	-	3,095	-	3,095	3,066
Other trading activities	5	124	24	-	148	140
Total		<u>129</u>	<u>3,119</u>	<u>45</u>	<u>3,293</u>	<u>3,497</u>
Expenditure on:						
Raising funds	6	32	-	-	32	55
Charitable activities:						
- Educational operations	7	27	3,556	232	3,815	3,655
Exceptional expenditure	12	-	-	-	-	166
Total	6	<u>59</u>	<u>3,556</u>	<u>232</u>	<u>3,847</u>	<u>3,876</u>
Net income/(expenditure)		70	(437)	(187)	(554)	(379)
Transfers between funds	17	(205)	249	(44)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(618)	-	(618)	346
Net movement in funds		(135)	(806)	(231)	(1,172)	(33)
Reconciliation of funds						
Total funds brought forward		<u>181</u>	<u>(1,148)</u>	<u>2,710</u>	<u>1,743</u>	<u>1,776</u>
Total funds carried forward		<u>46</u>	<u>(1,954)</u>	<u>2,479</u>	<u>571</u>	<u>1,743</u>

BURY COLLEGE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
Income and endowments from:					
Donations and capital grants	3	1	-	290	291
Charitable activities:					
- Funding for educational operations	4	-	3,066	-	3,066
Other trading activities	5	118	22	-	140
Total		<u>119</u>	<u>3,088</u>	<u>290</u>	<u>3,497</u>
Expenditure on:					
Raising funds	6	55	-	-	55
Charitable activities:					
- Educational operations	7	37	3,401	217	3,655
Exceptional expenditure	12	-	166	-	166
Total	6	<u>92</u>	<u>3,567</u>	<u>217</u>	<u>3,876</u>
Net income/(expenditure)		27	(479)	73	(379)
Transfers between funds	17	(250)	249	1	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	346	-	346
Net movement in funds		(223)	116	74	(33)
Reconciliation of funds					
Total funds brought forward		<u>404</u>	<u>(1,264)</u>	<u>2,636</u>	<u>1,776</u>
Total funds carried forward		<u>181</u>	<u>(1,148)</u>	<u>2,710</u>	<u>1,743</u>

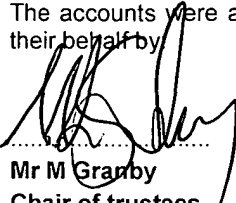
BURY COLLEGE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	2,479	2,680
Current assets			
Debtors	14	172	154
Cash at bank and in hand		195	298
		367	452
Current liabilities			
Creditors: amounts falling due within one year	15	(321)	(241)
Net current assets		46	211
Net assets excluding pension liability		2,525	2,891
Defined benefit pension scheme liability	19	(1,954)	(1,148)
Total net assets		571	1,743
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		2,479	2,710
- Pension reserve		(1,954)	(1,148)
Total restricted funds		525	1,562
Unrestricted income funds	17	46	181
Total funds		571	1,743

The accounts were approved by the trustees and authorised for issue on 28 November 2019 and are signed on their behalf by


 Mr M Granby
 Chair of trustees

Company Number 08769073

BURY COLLEGE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000	£000	2018 £000	£000
Cash flows from operating activities					
Net cash used in operating activities	20		(117)		(327)
Cash flows from investing activities					
Capital grants from DfE Group		45		290	
Purchase of tangible fixed assets		(31)		(261)	
Net cash provided by investing activities			14		29
Net decrease in cash and cash equivalents in the reporting period			(103)		(298)
Cash and cash equivalents at beginning of the year			298		596
Cash and cash equivalents at end of the year			195		298

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bury College Education Trust meets the definition of a public benefit entity under FRS 102.

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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	5% per year
Computer equipment	33.3% per year
Fixtures, fittings & equipment	10% per year

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.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	45	45	290
Other donations	5	-	5	1
	<u>5</u>	<u>45</u>	<u>50</u>	<u>291</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants				
General annual grant (GAG)	-	2,337	2,337	2,248
Other DfE group grants	-	478	478	450
	<u>-</u>	<u>2,815</u>	<u>2,815</u>	<u>2,698</u>
Other government grants				
Local authority grants	-	280	280	368
	<u>-</u>	<u>280</u>	<u>280</u>	<u>368</u>
Total funding	<u>-</u>	<u>3,095</u>	<u>3,095</u>	<u>3,066</u>

The academy trust was in receipt of funding from the local authority totalling £280,000 (2018: £368,000) which consisted of £109,000 (2018: £131,000) for special educational needs, £171,000 (2018: £195,000) of nursery funding and a GAG top up of £nil (2018: £42,000).

There were no unfulfilled conditions or other contingencies related to the grants received in the year.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Lettings	9	-	9	9
School fund income	14	-	14	14
Out of school club income	48	-	48	49
Other income	53	24	77	68
	<u>124</u>	<u>24</u>	<u>148</u>	<u>140</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds					
- Direct costs	32	-	-	32	55
Academy's educational operations					
- Direct costs	2,382	209	171	2,762	2,662
- Allocated support costs	547	278	228	1,053	993
Exceptional expenditure	-	-	-	-	166
	<u>2,961</u>	<u>487</u>	<u>399</u>	<u>3,847</u>	<u>3,876</u>

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Fees payable to auditor for:		
- Audit	12	12
- Other services	2	3
Operating lease rentals	2	2
Depreciation of tangible fixed assets	232	217
Net interest on defined benefit pension liability	32	35

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Direct costs				
Educational operations	27	2,735	2,762	2,662
Support costs				
Educational operations	-	1,053	1,053	993
	<u>27</u>	<u>3,788</u>	<u>3,815</u>	<u>3,655</u>

Analysis of costs

	2019 £000	2018 £000
Direct costs		
Teaching and educational support staff costs	2,362	2,220
Staff development	20	21
Depreciation	209	196
Technology costs	18	15
Educational supplies and services	109	197
Educational consultancy	44	13
	<u>2,762</u>	<u>2,662</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities

Support costs	2019 £000	2018 £000
Support staff costs	547	473
Depreciation	23	21
Technology costs	26	22
Maintenance of premises and equipment	88	82
Cleaning	6	16
Energy costs	60	49
Rent, rates and other occupancy costs	32	27
Insurance	58	42
Security and transport	11	9
Catering	62	97
Interest on defined benefit pension scheme	32	35
Other support costs	47	56
Governance costs	61	64
	<u>1,053</u>	<u>993</u>

The academy trust brought the catering operation in-house on 1 June 2018. For this reason the cost shows a notable fall in the above analysis because the salary costs of the people carrying out the service are now included within the support staff costs.

8 Staff

Staff costs

Staff costs during the year were:

	2019 £000	2018 £000
Wages and salaries	2,019	1,948
Social security costs	179	176
Pension costs	524	480
Staff costs	<u>2,722</u>	<u>2,604</u>
Agency staff costs	219	154
Staff restructuring costs	-	20
Staff development and other staff costs	20	21
	<u>2,961</u>	<u>2,799</u>
Total staff expenditure	<u>2,961</u>	<u>2,799</u>

Staff restructuring costs comprise:

Severance payments	<u>-</u>	<u>20</u>
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BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

Staff numbers

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

	2019 Number	2018 Number
Teachers	32	31
Administration and support	62	55
Management	4	3
	<u>98</u>	<u>89</u>

Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the Executive Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £256,000 (2018: £337,000).

9 Central services

The academy trust has provided the following central services to its academies during the year:

- support staff;
- recruitment;
- legal services;
- staff development.

These are charged to the individual schools in proportion to their usage of these services.

The amounts charged during the year were as follows:

	2019 £000	2018 £000
Elton Primary School	34	10
Radcliffe Primary School	34	10
Central services	<u>-</u>	<u>-</u>
	<u>68</u>	<u>20</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments expenses, from the academy trust in respect of their role as trustees.

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

Nicola Nelson (Executive Director) £75,001 - £80,000 (2018: £70,001 - £75,000)

The value of trustees pension contribution was as follows:

Nicola Nelson (Executive Director) £10,001 - £15,000 (2018: £10,001 - £15,000)

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2019 was £454 (2018: £443).

12 Exceptional item

The exceptional item in the year ended 31 August 2018 was a payment of £166,000 by the academy to the LGPS. This had been assessed on the academy trust due to the early retirement through illness of a long term employee of the academy and previously the school operated under the local authority.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 September 2018	2,052	64	1,231	3,347
Additions	-	21	10	31
At 31 August 2019	2,052	85	1,241	3,378
Depreciation				
At 1 September 2018	393	37	237	667
Charge for the year	88	20	124	232
At 31 August 2019	481	57	361	899
Net book value				
At 31 August 2019	1,571	28	880	2,479
At 31 August 2018	1,659	27	994	2,680

The net book value of land and buildings comprises:

	2019 £000	2018 £000
Long leaseholds (over 50 years)	1,571	1,659
14 Debtors	2019 £000	2018 £000
Trade debtors	9	5
VAT recoverable	21	13
Prepayments and accrued income	142	136
	172	154
15 Creditors: amounts falling due within one year	2019 £000	2018 £000
Trade creditors	170	54
Other taxation and social security	65	47
Other creditors	1	25
Accruals and deferred income	85	115
	321	241

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income	2019	2018
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	35	37
		<u>35</u>	<u>37</u>
	Deferred income at 1 September 2018	37	23
	Released from previous years	(37)	(23)
	Resources deferred in the year	35	37
		<u>35</u>	<u>37</u>
	Deferred income at 31 August 2019	35	37

At the balance sheet date the academy trust was holding funds received for Universal Infant Free School Meals totalling £35,000 which had been received in advance for the year ended 31 August 2020.

17	Funds	Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2018	Income	Expenditure	transfers	2019
		£000	£000	£000	£000	£000
	Restricted general funds					
	General Annual Grant (GAG)	-	2,337	(2,586)	249	-
	Other DfE / ESFA grants	-	478	(478)	-	-
	Other government grants	-	280	(280)	-	-
	Other restricted funds	-	24	(24)	-	-
	Pension reserve	(1,148)	-	(188)	(618)	(1,954)
		<u>(1,148)</u>	<u>3,119</u>	<u>(3,556)</u>	<u>(369)</u>	<u>(1,954)</u>
	Restricted fixed asset funds					
	Inherited on conversion	1,610	-	(88)	50	1,572
	DfE group capital grants	1,042	45	(123)	(98)	866
	Capital expenditure from GAG	58	-	(21)	4	41
		<u>2,710</u>	<u>45</u>	<u>(232)</u>	<u>(44)</u>	<u>2,479</u>
	Total restricted funds	1,562	3,164	(3,788)	(413)	525
		<u>1,562</u>	<u>3,164</u>	<u>(3,788)</u>	<u>(413)</u>	<u>525</u>
	Unrestricted funds					
	General funds	181	129	(59)	(205)	46
		<u>181</u>	<u>129</u>	<u>(59)</u>	<u>(205)</u>	<u>46</u>
	Total funds	1,743	3,293	(3,847)	(618)	571
		<u>1,743</u>	<u>3,293</u>	<u>(3,847)</u>	<u>(618)</u>	<u>571</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

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

The General Annual Grant (GAG) fund represents grants received for the Trust's operational activities and development.

The restricted fixed asset funds are those relating to the long term assets of the academy used in delivering the objectives of the academy. The transfer this year of £44,000 from fixed asset funds to restricted general funds reflects the use of £14,000 of the devolved formula capital grant received this year and £30,000 from a grant received from the Conditions Improvement Fund, which was received last year, has been used to pay for repairs and maintenance costs incurred in the year ended 31 August 2019.

The unrestricted funds are those which the board of trustees may use in the pursuance of the trust's objectives and are expendable at the discretion of the trustees.

The transfer from the unrestricted general fund to the restricted general fund reflects the usage in the year of surpluses generated by the trust this year and in previous years.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	19	2,248	(2,516)	249	-
Other DfE / ESFA grants	29	450	(479)	-	-
Other government grants	-	368	(368)	-	-
Other restricted funds	-	22	(22)	-	-
Pension reserve	(1,312)	-	(182)	346	(1,148)
	<u>(1,264)</u>	<u>3,088</u>	<u>(3,567)</u>	<u>595</u>	<u>(1,148)</u>
Restricted fixed asset funds					
Transfer on conversion	1,733	-	(123)	-	1,610
DfE group capital grants	825	290	(73)	-	1,042
Capital expenditure from GAG	78	-	(21)	1	58
	<u>2,636</u>	<u>290</u>	<u>(217)</u>	<u>1</u>	<u>2,710</u>
Total restricted funds	<u>1,372</u>	<u>3,378</u>	<u>(3,784)</u>	<u>596</u>	<u>1,562</u>
Unrestricted funds					
General funds	<u>404</u>	<u>119</u>	<u>(92)</u>	<u>(250)</u>	<u>181</u>
Total funds	<u>1,776</u>	<u>3,497</u>	<u>(3,876)</u>	<u>346</u>	<u>1,743</u>

BURY COLLEGE EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

Total funds analysis by academy

	2019	2018
	£000	£000
Fund balances at 31 August 2019 were allocated as follows:		
Elton Primary School	125	55
Radcliffe Primary School	(78)	145
Central services	-	(19)
	<u>47</u>	<u>181</u>
Total before fixed assets fund and pension reserve	47	181
Restricted fixed asset fund	2,479	2,710
Pension reserve	(1,954)	(1,148)
	<u>572</u>	<u>1,743</u>
Total funds	<u>572</u>	<u>1,743</u>

Total cost analysis by academy

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

	Teaching educational support staff	Other staff costs	Educational supplies	Other costs excluding depreciation	Total	Total
	£000	£000	£000	£000	2019 £000	2018 £000
Elton Primary School	1,029	289	51	253	1,622	1,770
Radcliffe Primary School	1,331	290	61	262	1,944	1,860
Central services	-	-	-	49	49	29
	<u>2,360</u>	<u>579</u>	<u>112</u>	<u>564</u>	<u>3,615</u>	<u>3,659</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£000	General	Fixed asset	£000
		£000	£000	
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	2,479	2,479
Current assets	46	321	-	367
Creditors falling due within one year	-	(321)	-	(321)
Defined benefit pension liability	-	(1,954)	-	(1,954)
	<u>46</u>	<u>(1,954)</u>	<u>2,479</u>	<u>571</u>
Total net assets	<u>46</u>	<u>(1,954)</u>	<u>2,479</u>	<u>571</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	2,680	2,680
Current assets	181	241	30	452
Creditors falling due within one year	-	(241)	-	(241)
Defined benefit pension liability	-	(1,148)	-	(1,148)
Total net assets	181	(1,148)	2,710	1,743

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough 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 that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £23,000 (2018: £26,000) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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

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.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £186,000 (2018: £190,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.2% for employers and 5.5% to 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.

Total contributions made	2019 £000	2018 £000
Employer's contributions	182	141
Employees' contributions	46	40
	<hr/>	<hr/>
Total contributions	228	181
	<hr/>	<hr/>
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.1	3.1
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.8	2.8
	<hr/>	<hr/>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22.0	23.7
- Females	24.8	26.2

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis - Elton Primary School

Changes in assumptions at 31 August 2019	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	297
0.5% increase in the Salary Increase Rate	2%	55
0.5% increase in the Pension Increase Rate	9%	234

Sensitivity analysis – Radcliffe Primary School

Changes in assumptions at 31 August 2019	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	15%	281
0.5% increase in the Salary Increase Rate	2%	34
0.5% increase in the Pension Increase Rate	13%	242

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

	2019 Fair value £000	2018 Fair value £000
Equities	1,670	1,477
Bonds	393	349
Cash	221	196
Property	172	152
Total market value of assets	2,456	2,174

The actual return on scheme assets was £108,000 (2018: £109,000).

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2019 £000	2018 £000
Current service cost	293	288
Past service cost	45	-
Interest income	(64)	(50)
Interest cost	96	85
Total operating charge	370	323
Changes in the present value of defined benefit obligations	2019 £000	2018 £000
At 1 September 2018	3,322	3,233
Current service cost	293	288
Interest cost	96	85
Employee contributions	46	40
Actuarial loss/(gain)	662	(287)
Benefits paid	(54)	(37)
Past service cost	45	-
At 31 August 2019	4,410	3,322
Changes in the fair value of the academy trust's share of scheme assets	2019 £000	2018 £000
At 1 September 2018	2,174	1,921
Interest income	64	50
Actuarial gain	44	59
Employer contributions	182	141
Employee contributions	46	40
Benefits paid	(54)	(37)
At 31 August 2019	2,456	2,174

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £000	2018 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(554)	(379)
Adjusted for:		
Capital grants from DfE and other capital income	(45)	(290)
Defined benefit pension costs less contributions payable	156	147
Defined benefit pension scheme finance cost	32	35
Depreciation of tangible fixed assets	232	217
(Increase)/decrease in debtors	(18)	20
Increase/(decrease) in creditors	80	(77)
Net cash used in operating activities	(117)	(327)

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	-	2

22 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations should be conducted in accordance with the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

A trustee of the academy is the principal at Bury College and during the year the academy trust provided services to Bury College and received income of £nil for the year ended 31 August 2019 (2018: £10,045). At 31 August 2019 debtors includes £nil due from Bury College (2018: £3,895).

Mrs D Magid, a governor at Radcliffe Primary School until 31 August 2019, provided counselling services at the school during the year and the total invoiced to the trust was £14,325. These services were not provided to the trust at cost; however they are considered by the trustees to be good value for money and were charged at competitive rates for such services. In entering into these transactions the academy trust has not complied with the Academies Financial Handbook 2018 in reporting these transactions to the ESFA.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.