

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 2020



Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
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BURY COLLEGE EDUCATION TRUST

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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 | - |
| Patricia Jones Greenhalgh | 17 December 2019 | - |

Trustees

| Name | Date of appointment or re-appointment | Term of Office | Date of resignation | Committees |
|---------------------|---------------------------------------|----------------|---------------------|-----------------------------|
| Mark Granby (Chair) | January 2020 | 4 years | - | Resource & Audit (Observer) |
| Charlie Deane | September 2017 | 4 years | - | N/A |
| Roger Holt | September 2017 | 4 years | - | Resource & Audit |
| Christopher Trees | September 2017 | 4 years | - | Resource & Audit (Chair) |
| Steph Isherwood | September 2017 | 4 years | - | Resource & Audit |
| Kavi Mylador | February 2020 | 4 years | - | Resource & Audit |

Local Governing Body: Radcliffe Primary School

| Name | Date of appointment or re-appointment | Term of Office | Date of resignation | Designation |
|----------------------|---------------------------------------|----------------|---------------------|-------------------|
| Alison Wood (Chair) | September 2020 | 4 years | - | Community Chair |
| Alison Walsh | September 2019 | Ex officio | - | Headteacher |
| Mark Taylor | July 2018 | 4 years | - | Parent |
| Belinda McKenna | January 2020 | 4 years | - | Staff |
| Nicola Cleaver | May 2020 | 4 years | - | Community |
| James Tomlinson | April 2020 | 4 years | - | Community |
| Glyn Whitworth | January 2018 | 4 years | 03 March 2020 | Community (Chair) |
| Paul Coates | January 2018 | 4 years | 13 July 2020 | Community |
| Laura Kennedy-Holmes | March 2018 | 4 years | 26 November 2019 | Parent |
| Jane Dennis | January 2017 | 4 years | 01 January 2020 | Community |

Local Governing Body: Elton Primary School

| Name | Date of appointment or re-appointment | Term of Office | Date of resignation | Designation |
|----------------------|---------------------------------------|----------------|-------------------------|-------------------------------|
| Jane Chapman (Chair) | 1 September 2020 | 4 years | - | Community Chair from Sept '20 |
| Rachel Pars | January 2017 | Ex Officio | - | Headteacher |
| Jodie Lomax | November 2018 | 4 years | - | Parent |
| Sheree Aillon | 1 September 2020 | 4 years | - | Community Chair to Aug '20 |
| Leah Davies | September 2017 | 4 years | - | Staff |
| Jane Chapman | November 2017 | 4 years | Resigned 31 August 2020 | Community |
| Kirsty Jones | March 2019 | 4 years | - | Parent |
| Liz Rogerson | March 2019 | 4 years | - | Parent |
| Jack Talbot-Bagnell | March 2017 | 4 years | February 2020 | Parent |

BURY COLLEGE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

| | |
|------------------------------------|---|
| Clerk to the Trustees | Jane Close of ONE Education |
| Registered Office | Bury College Education Trust Beacon Centre Market Street Bury BL9 0AT |
| Company Registration Number | 08769073 (England and Wales) |
| Interim Accounting Officer | Lesley Taylor |
| Chief Finance Officer | Claire Tooth resigned 29 November 2019 Kelly Heathcote appointed 11 November 2019 |
| 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 | Lesley Taylor: Chief Operating Officer and Interim Chief Executive Officer David Stephens: Interim Executive Headteacher Rachel Pars: Headteacher Elton Primary Alyson Walsh: Headteacher Radcliffe Primary Claire Tooth until date of resignation 29 November 2019 |

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020. 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 410 and 365 respectively, and had a roll of 280 and 316 at the point of the school census on 3 October 2019.

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 22 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. The trust has also joined the Confederation of School Trusts. 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 2020

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.
- Since 1 September 2019 the Interim Executive Headteachers, have an overview of school improvement and work closely with the leadership teams in each school.
- Leadership teams in the schools consist of the Headteachers; Deputy Headteachers and Assistant Headteachers.

The trust has a Governance Handbook which is reviewed on an annual basis and which details 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 Team is reviewed and set by the trust board. The pay award for the remaining staff are set by executive leaders.

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 members some of whom are college governors. There are a few transactions between the parties following a provision of services and these are described in note 22.

In the 2018/19 external audit an issue was identified in relation to a local governor at one of the trust's schools who had received payment for consultancy work for which appropriate authorisation had not been obtained. The trust has put in place measures to prevent a recurrence of such a related party transaction and has notified ESFA of the actions taken.

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.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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. The Covid pandemic has brought extra challenges this year, we have therefore extended the partnership arrangement for a further 12 months.

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.

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.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance including key performance indicators

In March 2020 the trust's schools, along with all the other schools in the country, were faced with the unprecedented challenge of closing their doors to all but a small number of children as a result of the Coronavirus Covid 19 pandemic. Leaders were required to provide places for children of key workers and for the most vulnerable children. Robust procedures were put in place to ensure that the schools could continue to carry out their safeguarding role and arrangements for remote learning were speedily put in place.

The DfE took the decision to suspend assessments at KS1 and KS2 for the year and Ofsted inspections were also put on hold. Guidance emerged from the DfE to support schools and detailed risk assessments were drawn up for both schools and signed off by trustees.

Throughout the summer term pupils continued to be supported through remote learning although measures were put in place to welcome KS2 children back into school from June onwards. The primary objective was to ensure that the children leaving school to start at high schools at the end of the academic year had as smooth a transition as was feasibly possible.

The impact of the pandemic on the workload of school staff and in particular senior leaders cannot be overstated. The operational response to the pandemic and the systems required to respond to pupils or staff who displayed symptoms or who tested positive for the virus has had a significant impact on the work-life balance of leaders. Operations continued throughout school holidays and the resilience of leaders has been severely tested. It is to their credit that when they were able to fully re-open both schools at the start of the new academic year.

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 the 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 and details the priorities for Radcliffe in 2019/20. However, the onset of the pandemic has had a significant impact on the school and leaders have worked hard to deliver remote learning and to put in place measures for children to return safely to the school.

Radcliffe Primary School 2019/2020 School Development Plan Priorities

Key Priority 1: Continue to refine and shape our curriculum, enabling children to: develop skills, deepen their knowledge & understanding and have immersive experiences that will build resilience and support life-long learning.

Key Priority 2: Raise the progress and attainment of the number of children achieving the expected standard in Reading and Mathematics at both Key Stage 1 & Key Stage 2.

Key Priority 3: Provide children with appropriate opportunities to develop their social, emotional, moral and cultural awareness in order for them to become responsible citizens and active participants within society.

Key Priority 4: Conduct a review of the leadership structure, including governance, implementing changes to strengthen capacity, ensuring greater responsibility and accountability.

Key Priority 5: Continue to enrich provision in EYFS to further raise standards and ensure more children exit the Key Stage possessing a good level of development in all prime areas.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 to 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 2019/2020

The school improvement plan for 2019/20 was based on the Ofsted key issues as identified in the November 2018 inspection, with the added addition of a Covid recovery plan for reading.

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

- to help in the recovery from Covid an accelerated program in reading has been introduced, by engaging children with a love of reading;
- 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 2020

BCET comparative end of key stage data 2020

It is stressed that as a result of the pandemic the national key stage assessments did not take place. The 2020 figures are therefore based on moderated school based assessments of the pupils.

Key:

EPS - Elton Primary School

RPS - Radcliffe Primary School

Nat - National (Due to the Covid 19 pandemic no national average data is available this year)

| Early Years Foundation Stage (Reception) Good Level of Development (GLD) | | | | | | | | |
|--|-----|------|-----|------|-----|------|-----|-----|
| 2017 | | 2018 | | 2019 | | 2020 | | |
| EPS | RPS | EPS | RPS | EPS | RPS | EPS | RPS | Nat |
| 50% | 58% | 69% | 71% | 79% | 71% | 61% | 67% | |

| Year 1 Phonics Check | | | | | | | | |
|------------------------------------|-----|------|-----|------|-----|------|-----|-----|
| 2017 | | 2018 | | 2019 | | 2020 | | |
| EPS | RPS | EPS | RPS | EPS | RPS | EPS | RPS | Nat |
| 95% | 61% | 85% | 80% | 74% | 73% | 86% | 78% | |
| Phonics Screening-Year Two retakes | | | | | | | | |
| 2017 | | 2018 | | 2019 | | 2020 | | |
| EPS | RPS | EPS | RPS | EPS | RPS | EPS | RPS | Nat |
| 67% | 80% | 75% | 80% | 100% | 67% | 100% | 75% | |

| | 2018 | | | | | | 2019 | | | | | |
|---------|-------------------|-----|-----|---------------|-----|-----|-------------------|-----|-----|---------------|-----|-----|
| KS1 | Expected or above | | | Greater depth | | | Expected or above | | | Greater depth | | |
| | EPS | RPS | Nat | EPS | RPS | Nat | EPS | RPS | Nat | EPS | RPS | Nat |
| Maths | 73% | 70% | 76% | 7% | 30% | 21% | 76% | 70% | 76% | 13% | 20% | 22% |
| Reading | 78% | 70% | 75% | 7% | 48% | 25% | 76% | 66% | 75% | 17% | 14% | 25% |
| Writing | 59% | 70% | 70% | 5% | 28% | 16% | 56% | 70% | 70% | 9% | 16% | 15% |

| | 2020 | | | | | |
|---------|-------------------|-----|-----|---------------|-----|-----|
| KS1 | Expected or above | | | Greater depth | | |
| | EPS | RPS | Nat | EPS | RPS | Nat |
| Maths | 69% | 61% | | 17% | 14% | |
| Reading | 71% | 74% | | 17% | 14% | |
| Writing | 69% | 63% | | 12% | 14% | |

| KS1 Combined RWM | 2018 | 2019 | 2020 |
|------------------|------|------|------|
| EPS | 54% | 65% | 67% |
| RPS | 70% | 61% | 66% |

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| KS2 | 2018 | | | | | 2019 | | | |
|---------|-------------------|-----|-----|---------------|-----|-------------------|-----|---------------|-----|
| | Expected or above | | | Greater depth | | Expected or above | | Greater depth | |
| | EPS | RPS | Nat | EPS | RPS | EPS | RPS | EPS | RPS |
| Maths | 83% | 68% | 76% | 21% | 12% | 71% | 67% | 21% | 13% |
| Reading | 72% | 68% | 75% | 17% | 28% | 67% | 63% | 12% | 17% |
| Writing | 72% | 73% | 78% | 7% | 8% | 67% | 75% | 5% | 13% |
| SPAG | 80% | 71% | 78% | 27% | 22% | 69% | 69% | 21% | 23% |

| KS2 | 2020 | | | |
|---------|-------------------|-----|---------------|-----|
| | Expected or above | | Greater depth | |
| | EPS | RPS | EPS | RPS |
| Maths | 78% | 60% | 29% | 3% |
| Reading | 78% | 64% | 29% | 6% |
| Writing | 73% | 58% | 14% | 3% |
| SPAG | 78% | 67% | 29% | 10% |

EPS=43 children

RPS=31 children

| KS2 Combined RWM | 2018 | 2019 | 2020 |
|------------------|------|------|------|
| EPS | 66% | 52% | 68% |
| RPS | 50% | 52% | 59% |
| National | 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 surplus of £267,000 excluding depreciation and adjustments related to the LGPS valuation, in the year ended 31 August 2020. This has led to a carry forward position of £313,000. Giving an operating surplus of 9% of school budget to date. This is above the financial objective set and can be directly attributed to funding received during partial closure, but not allocated. Staffing and Leadership roles across the trust are being strategically planned for the financial viability of the trust and to aid teaching and learning for better pupil outcomes. The extra surplus accumulated last year will be used to support this and bring the amount in line to the recommended level of between 5%-8% for 20/21.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 past year, taking a prudent approach with its financial decisions and has remained in surplus. The trust has also managed to increase its surplus from £47,000 to £313,000.

The ESFA offered support to the trust by way of an SMRA. We have used the SMRA's report and the recommendations within the report to review the trust's staffing structures to reach an equitable level and reside within an acceptable financial tolerance.

The increase in surplus was in part was due to the SMRA report and a newly appointed financial officer who scrutinised our budgets and found areas that needed addressing. The accounting officer reviewed the recommendations from the SMRA report and with the confidence of a new financial base line provided by the FO the AO was able to build from that platform and prepare a business case that would repair and strengthen the trust's financial health for a more sustainable and viable future.

Although the carry forward is high at 9% of income we will be making long-term strategic financial decisions regarding our staffing structures to enhance both our schools' performance and give our pupils a strong start to their life in education. This will mean bringing our surplus over the next year back in line with the suggested level of between 5% and 8%.

Over the past year we have already redeployed and reshaped our staffing structures to better meet the needs of the children and the financial health of the trust. Some further work is still to be done in this area, but the trust feels in the current Covid 19 pandemic it is more important to support staff's morale and wellbeing. The trust will review the business case again in January 2021.

Streamlining services both internally and externally throughout the trust has resulted in significant savings providing an efficient financial platform that will facilitate optimum operational efficiency and effectiveness and enable the best possible educational provision to be accessed by all our pupils.

Significant savings were achieved when the catering staff were brought in house in June 2018. Due to falling pupil numbers and pupils not taking a school meal this was reviewed again and the catering staff have now been TUPE'd over to an outside catering company Dolce. This has enabled the trust to keep the original savings without the need for redundancies.

The principal funding has been from the ESFA basic pupil funding. The trust secured £184,000 during the year from the Condition Improvement Fund Grants to fully finance remedial repair work on the flat roofs at Elton Primary School, this work was started on 26 October 2020 and is due to be finished on 21 December 2020. The trust also received £15,000 from the ESFA as devolved formula capital.

The trust has a defined pension liability of £2,193,000 (2019: £1,954,000) 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 appointed an independent internal auditor (Shard Business Services) to support their risk assurance process.

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 costs, excluding any pension adjustments, approximately £200,000. 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 which results in unforeseen costs incurred.

The balance of the restricted general fund and unrestricted general fund is £313,000 which is a little higher than the level considered to be appropriate. The restricted fund is currently £215,000, this income is spent on the running costs of the school, staff wages and the pupils' education resources. Included in this amount is our SEN funding which is used to further develop those children with specific needs.

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. There are no investments at this current time only cash balances.

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 pupil number levels taking into account new applications to the schools so that any financial implications due to lower pupil numbers can be addressed in a timely manner. Other key risks include outcomes not rising in the schools and the schools not receiving positive OFSTED reports.

Fundraising

The academies across the trust do their own individual fundraising. This may be a school fair, or movie night for the pupils. Each academy will inform the parents of what the monies raised will be used for.

Plans for future periods

The trust wishes to grow the number of schools in the MAT and remains optimistic about Park View joining the trust. Trustees however, recognise that a key priority is to continue to improve the outcomes for the children at Radcliffe.

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

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 7.11.2020 and signed on its behalf by:



Mark Granby
Chair of trustee

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 conducted in 2017 and the action plan worked through. The chair of the board of trustees is undertaking a leadership programme facilitated by the Confederation of School Trusts and this will include an independent review of governance in the trust.

The board of trustees has 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.

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 13 times during the year. Five of these meetings took place in response to the Covid 19 pandemic. Attendance during the year at meetings of the board of trustees was as follows:

Attendance at BCET Board Meetings 2019-2020. The board has met less than 8 times in the last year.

| | 10 October 2019 | 28 November 2019 | 30 April 2020 | 02 July 2020 |
|---------------------|--------------------|---------------------|------------------|-----------------|
| Mark Granby (Chair) | 1 | 1 | 1 | 1 |
| Chris Trees | 0 | 1 | 1 | 1 |
| Roger Holt | 0 | 0 | 1 | 1 |
| Steph Isherwood | 1 | 1 | 1 | 0 |
| Charlie Deane | 1 | 1 | 1 | 1 |
| Kavi Mylador | | | 1 | 1 |

| Extraordinary meetings | 08 April 2020 | 02 June 2020 | 11 June 2020 | 23 July 2020 |
|---------------------------|------------------|-----------------|-----------------|-----------------|
| Mark Granby (Chair) | 1 | 1 | 1 | 1 |
| Charlie Dean | 0 | 0 | 1 | 1 |
| Chris Trees | 1 | 1 | 0 | 0 |
| Steph Isherwood | 0 | 1 | 1 | 1 |
| Kavi Mylador | 0 | 0 | 1 | 0 |
| Roger Holt | 0 | 1 | 1 | 0 |

The Resource and Audit Committee is a sub-committee of the trust. The role of the 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:

| | 07 November 2019 | 23 January 2020 | 12 March 2020 | 16 April 2020 | 18 June 2020 |
|---------------------|---------------------|--------------------|------------------|------------------|-----------------|
| Chris Trees (Chair) | 1 | 0 | 1 | 1 | 1 |
| Mark Granby | 1 | 1 | 1 | 1 | 1 |
| Roger Holt | 0 | 0 | 1 | 0 | 1 |
| Steph Isherwood | 1 | 1 | 0 | 1 | 1 |
| Kavi Mylador | | | 1 | 1 | 1 |

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The coronavirus pandemic resulted in the cessation of face to face meetings of trustees. However, the trust put in place a system to allow the board and the committees to meet using Microsoft Teams. All meetings that took place after 23 March 2020 were held virtually.

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';
- catering has been outsourced; and
- redeploying staff based on needs in different areas.

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 2020 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 2020 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 with the support from the ESFA have appointed an SMRA to review the budgets. The trustees have also appointed Shard Business Services to perform peer reviews throughout the year.

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

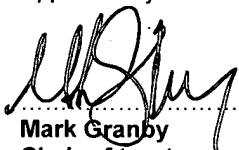
Review of effectiveness

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 a responsible officer 3 times a year
- 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 07/12/2020 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 2020

As accounting officer of Bury College Education Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and 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 2019.

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 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Financial issues

- Evidence that tendering procedures had been followed in respect of one contract could not be obtained;
- A local governor had supplied services to the trust and this had not been at cost as required by the Academies Financial Handbook. In addition, the payments made on or after 1 April 2019 had not been reported to the ESFA.



Lesley Taylor
Accounting officer

Date 7/12/2020

BURY COLLEGE EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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:

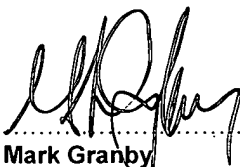
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 07/12/2020 and signed on its behalf by:



Mark Granby
Chair of trustees

BURY COLLEGE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Bury College Education Trust for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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:

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy.

- 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 2020

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 has 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.

BURY COLLEGE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

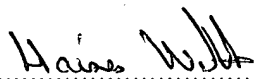
Auditor's responsibilities for the audit of the accounts

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.

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 7/12/20

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 2020

In accordance with the terms of our engagement letter dated 30 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2020

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 nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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 2020

| | Notes | Unrestricted funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total 2020 £000 | Total 2019 £000 |
|---|-------|-------------------------------|-----------------------------------|---------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 15 | 15 | 50 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 3,273 | - | 3,273 | 3,095 |
| Other trading activities | 5 | 121 | 9 | - | 130 | 148 |
| Total | | <u>121</u> | <u>3,282</u> | <u>15</u> | <u>3,418</u> | <u>3,293</u> |
| Expenditure on: | | | | | | |
| Raising funds | 6 | 69 | - | - | 69 | 32 |
| Charitable activities: | | | | | | |
| - Educational operations | 7 | - | 3,312 | 261 | 3,573 | 3,815 |
| Total | 6 | <u>69</u> | <u>3,312</u> | <u>261</u> | <u>3,642</u> | <u>3,847</u> |
| Net income/(expenditure) | | 52 | (30) | (246) | (224) | (554) |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 17 | - | 6 | - | 6 | (618) |
| Net movement in funds | | 52 | (24) | (246) | (218) | (1,172) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 46 | (1,954) | 2,479 | 571 | 1,743 |
| Total funds carried forward | | <u>98</u> | <u>(1,978)</u> | <u>2,233</u> | <u>353</u> | <u>571</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 2020

| Comparative year information Year ended 31 August 2019 | Notes | Unrestricted funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total 2019 £000 |
|---|-------|-------------------------------|-----------------------------------|---------------------|-----------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 5 | - | 45 | 50 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 3,095 | - | 3,095 |
| Other trading activities | 5 | 124 | 24 | - | 148 |
| Total | | <u>129</u> | <u>3,119</u> | <u>45</u> | <u>3,293</u> |
| Expenditure on: | | | | | |
| Raising funds | 6 | 32 | - | - | 32 |
| Charitable activities: | | | | | |
| - Educational operations | 7 | 27 | 3,556 | 232 | 3,815 |
| Total | 6 | <u>59</u> | <u>3,556</u> | <u>232</u> | <u>3,847</u> |
| Net income/(expenditure) | | 70 | (437) | (187) | (554) |
| Transfers between funds | 15 | (205) | 249 | (44) | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 17 | - | (618) | - | (618) |
| Net movement in funds | | (135) | (806) | (231) | (1,172) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 181 | (1,148) | 2,710 | 1,743 |
| Total funds carried forward | | <u>46</u> | <u>(1,954)</u> | <u>2,479</u> | <u>571</u> |

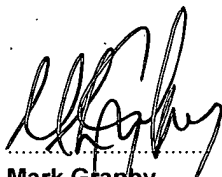
BURY COLLEGE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

| | Notes | 2020 £000 | 2019 £000 |
|--|-------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 11 | 2,218 | 2,479 |
| Current assets | | | |
| Debtors | 12 | 139 | 172 |
| Cash at bank and in hand | | 370 | 195 |
| | | 509 | 367 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 13 | (181) | (321) |
| Net current assets | | 328 | 46 |
| Net assets excluding pension liability | | 2,546 | 2,525 |
| Defined benefit pension scheme liability | 17 | (2,193) | (1,954) |
| Total net assets | | 353 | 571 |
| Funds of the academy trust: | | | |
| Restricted funds | 15 | | |
| - Fixed asset funds | | 2,233 | 2,479 |
| - Restricted income funds | | 215 | - |
| - Pension reserve | | (2,193) | (1,954) |
| Total restricted funds | | 255 | 525 |
| Unrestricted income funds | 15 | 98 | 46 |
| Total funds | | 353 | 571 |

The accounts were approved by the trustees and authorised for issue on 07/12/2020 and are signed on their behalf by:


 Mark Granby
 Chair of trustees

Company Number 08769073

BURY COLLEGE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

| | Notes | 2020 £000 | £000 | 2019 £000 | £000 |
|---|-------|--------------|------|--------------|-------|
| Cash flows from operating activities | | | | | |
| Net cash provided by/(used in) operating activities | 18 | | 160 | | (117) |
| Cash flows from investing activities | | | | | |
| Capital grants from DfE Group | | 15 | | 45 | |
| Purchase of tangible fixed assets | | - | | (31) | |
| Net cash provided by investing activities | | | 15 | | 14 |
| Net increase/(decrease) in cash and cash equivalents in the reporting period | | | 175 | | (103) |
| Cash and cash equivalents at beginning of the year | | | 195 | | 298 |
| Cash and cash equivalents at end of the year | | | 370 | | 195 |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Bury College Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 2020

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 2020

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 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 based on 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 2020

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 net income or expenditure 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 17, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020

3 Donations and capital grants

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|-----------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Capital grants | - | 15 | 15 | 45 |
| Other donations | - | - | - | 5 |
| | <u>-</u> | <u>15</u> | <u>15</u> | <u>50</u> |

4 Funding for the academy trust's educational operations

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|--------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 2,354 | 2,354 | 2,337 |
| Other DfE group grants | - | 549 | 549 | 478 |
| | <u>-</u> | <u>2,903</u> | <u>2,903</u> | <u>2,815</u> |
| Other government grants | | | | |
| Local authority grants | - | 370 | 370 | 280 |
| | <u>-</u> | <u>370</u> | <u>370</u> | <u>280</u> |
| Total funding | <u>-</u> | <u>3,273</u> | <u>3,273</u> | <u>3,095</u> |

The academy trust was in receipt of funding from the local authority totalling £370,000 (2019: £280,000) which consisted of £201,000 (2019: £109,000) for special educational needs, £169,000 (2019: £171,000) of nursery funding.

5 Other trading activities

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|---------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Lettings | 13 | - | 13 | 9 |
| School fund income | 1 | - | 1 | 14 |
| Out of school club income | 29 | - | 29 | 48 |
| Other income | 78 | 9 | 87 | 77 |
| | <u>121</u> | <u>9</u> | <u>130</u> | <u>148</u> |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Expenditure

| | Staff costs £000 | Non Pay Expenditure Premises £000 | Other £000 | Total 2020 £000 | Total 2019 £000 |
|----------------------------------|---------------------|---|---------------|-----------------------|-----------------------|
| Expenditure on raising funds | | | | | |
| - Direct costs | 42 | - | 27 | 69 | 32 |
| Academy's educational operations | | | | | |
| - Direct costs | 2,143 | 246 | 78 | 2,467 | 2,762 |
| - Allocated support costs | 671 | 193 | 242 | 1,106 | 1,053 |
| | <u>2,856</u> | <u>439</u> | <u>347</u> | <u>3,642</u> | <u>3,847</u> |

Net income/(expenditure) for the year includes:

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Fees payable to auditor for: | | |
| - Audit | 14 | 12 |
| - Other services | 2 | 2 |
| Operating lease rentals | 2 | 2 |
| Depreciation of tangible fixed assets | 261 | 232 |
| Net interest on defined benefit pension liability | 38 | 32 |
| | <u></u> | <u></u> |

7 Charitable activities

| | 2020 £000 | 2019 £000 |
|----------------------------|--------------|--------------|
| All from restricted funds: | | |
| Direct costs | | |
| Educational operations | 2,467 | 2,762 |
| Support costs | | |
| Educational operations | 1,106 | 1,053 |
| | <u>3,573</u> | <u>3,815</u> |

Analysis of costs

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Direct costs | | |
| Teaching and educational support staff costs | 2,140 | 2,362 |
| Staff development | 3 | 20 |
| Depreciation | 246 | 209 |
| Technology costs | 7 | 18 |
| Educational supplies and services | 32 | 109 |
| Educational consultancy | 39 | 44 |
| | <u>2,467</u> | <u>2,762</u> |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities

Support costs

| | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| Support staff costs | 671 | 547 |
| Depreciation | 15 | 23 |
| Technology costs | 35 | 26 |
| Maintenance of premises and equipment | 41 | 88 |
| Cleaning | 1 | 6 |
| Energy costs | 52 | 60 |
| Rent, rates and other occupancy costs | 22 | 32 |
| Insurance | 51 | 58 |
| Security and transport | 11 | 11 |
| Catering | 106 | 62 |
| Net interest on defined benefit pension scheme | 38 | 32 |
| Other support costs | 17 | 47 |
| Governance costs | 46 | 61 |
| | <u>1,106</u> | <u>1,053</u> |

8 Staff

Staff costs

Staff costs during the year were:

| | 2020 | 2019 |
|---|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 2,038 | 2,049 |
| Social security costs | 168 | 179 |
| Pension costs | 618 | 524 |
| Staff costs | <u>2,824</u> | <u>2,752</u> |
| Agency staff costs | 29 | 219 |
| Staff development and other staff costs | 3 | 20 |
| Total staff expenditure | <u>2,856</u> | <u>2,991</u> |

Staff numbers

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

| | 2020 | 2019 |
|----------------------------|-----------|-----------|
| | Number | Number |
| Teachers | 29 | 32 |
| Administration and support | 56 | 62 |
| Management | 3 | 4 |
| | <u>88</u> | <u>98</u> |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Staff

The number of persons employed, expressed as a full time equivalent, was as follows:

| | 2020 Number | 2019 Number |
|----------------------------|----------------|----------------|
| Teachers | 25 | 31 |
| Administration and support | 35 | 42 |
| Management | 3 | 4 |
| | <u>63</u> | <u>77</u> |

Higher paid staff

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

| | 2020 Number | 2019 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 £328,000 (2019: £256,000).

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:

| | 2020 £000 | 2019 £000 |
|--------------------------|--------------|--------------|
| Elton Primary School | 162 | 34 |
| Radcliffe Primary School | 158 | 34 |
| Central services | <u>-</u> | <u>-</u> |
| | <u>320</u> | <u>68</u> |

10 Trustees' remuneration and expenses

None of the Trustees received any expenses during the current financial period (2019: £nil)

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Tangible fixed assets

| | Leasehold buildings | Computer equipment | Fixtures, fittings & equipment | Total |
|--|------------------------|-----------------------|--------------------------------------|-------|
| | £000 | £000 | £000 | £000 |
| Cost | | | | |
| At 1 September 2019 and 31 August 2020 | 2,052 | 85 | 1,241 | 3,378 |
| Depreciation | | | | |
| At 1 September 2019 | 481 | 57 | 361 | 899 |
| Charge for the year | 122 | 15 | 124 | 261 |
| At 31 August 2020 | 603 | 72 | 485 | 1,160 |
| Net book value | | | | |
| At 31 August 2020 | 1,449 | 13 | 756 | 2,218 |
| At 31 August 2019 | 1,571 | 28 | 880 | 2,479 |

The net book value of land and buildings comprises:

| | 2020 £000 | 2019 £000 |
|---------------------------------|--------------|--------------|
| Long leaseholds (over 50 years) | 1,449 | 1,571 |

12 Debtors

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| Trade debtors | - | 9 |
| VAT recoverable | 17 | 21 |
| Prepayments and accrued income | 122 | 142 |
| | 139 | 172 |

13 Creditors: amounts falling due within one year

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 47 | 170 |
| Other taxation and social security | 65 | 65 |
| Other creditors | - | 1 |
| Accruals and deferred income | 69 | 85 |
| | 181 | 321 |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Deferred income

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Deferred income is included within: | | |
| Creditors due within one year | 17 | 35 |
| Deferred income at 1 September 2019 | 35 | 37 |
| Released from previous years | (35) | (37) |
| Resources deferred in the year | 17 | 35 |
| Deferred income at 31 August 2020 | 17 | 35 |

At the balance sheet date, the academy trust was holding funds received for Universal Infant Free School Meals totalling £17,000 which had been received in advance for the year ended 31 August 2020.

15 Funds

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2020 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 2,354 | (2,139) | - | 215 |
| Other DfE / ESFA grants | - | 549 | (549) | - | - |
| Other government grants | - | 370 | (370) | - | - |
| Other restricted funds | - | 9 | (9) | - | - |
| Pension reserve | (1,954) | - | (245) | 6 | (2,193) |
| | <u>(1,954)</u> | <u>3,282</u> | <u>(3,312)</u> | <u>6</u> | <u>(1,978)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 1,572 | - | (122) | - | 1,450 |
| DfE group capital grants | 866 | 15 | (124) | - | 757 |
| Capital expenditure from GAG | 41 | - | (15) | - | 26 |
| | <u>2,479</u> | <u>15</u> | <u>(261)</u> | <u>-</u> | <u>2,233</u> |
| Total restricted funds | <u>525</u> | <u>3,297</u> | <u>(3,573)</u> | <u>6</u> | <u>255</u> |
| Unrestricted funds | | | | | |
| | <u>46</u> | <u>121</u> | <u>(69)</u> | <u>-</u> | <u>98</u> |
| Total funds | <u>571</u> | <u>3,418</u> | <u>(3,642)</u> | <u>6</u> | <u>353</u> |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 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. There have been no transfers made to or from this reserve during the current financial period (2019: £44,000). The grants received during the current financial period have been carried forward to be expended during future accounting periods.

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 2020

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

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2019 £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 | | | | | |
| Transfer 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 | <u>1,562</u> | <u>3,164</u> | <u>(3,788)</u> | <u>(413)</u> | <u>525</u> |
| Unrestricted funds | | | | | |
| General funds | <u>181</u> | <u>129</u> | <u>(59)</u> | <u>(205)</u> | <u>46</u> |
| Total funds | <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 2020

15 Funds

Total funds analysis by academy

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Fund balances at 31 August 2020 were allocated as follows: | | |
| Elton Primary School | 295 | 125 |
| Radcliffe Primary School | 18 | (79) |
| Central services | - | - |
| | <u>313</u> | <u>46</u> |
| Total before fixed assets fund and pension reserve | 313 | 46 |
| Restricted fixed asset fund | 2,233 | 2,479 |
| Pension reserve | (2,193) | (1,954) |
| | <u>353</u> | <u>571</u> |
| Total funds | <u>353</u> | <u>571</u> |

Total cost analysis by academy

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

| | Teaching and educational support staff £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2020 £000 | Total 2019 £000 |
|--------------------------|--|--------------------------------------|---------------------------------|--|-----------------------|-----------------------|
| Elton Primary School | 1,046 | 252 | 46 | 185 | 1,529 | 1,622 |
| Radcliffe Primary School | 4 | 460 | 34 | 214 | 712 | 1,944 |
| Central services | - | - | - | 230 | 230 | 49 |
| | <u>1,050</u> | <u>712</u> | <u>80</u> | <u>629</u> | <u>2,471</u> | <u>3,615</u> |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Analysis of net assets between funds

| | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total Funds £000 |
|--|-------------------------------|--------------------------------------|---------------------|------------------------|
| Fund balances at 31 August 2020 are represented by: | | | | |
| Tangible fixed assets | - | - | 2,218 | 2,218 |
| Fixed asset investments | - | - | - | - |
| Current assets | 98 | 396 | 15 | 509 |
| Creditors falling due within one year | - | (181) | - | (181) |
| Defined benefit pension liability | - | (2,193) | - | (2,193) |
| Total net assets | 98 | (1,978) | 2,233 | 353 |

| | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total Funds £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) |
| Total net assets | 46 | (1,954) | 2,479 | 571 |

17 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 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £23,000 (2019: £26,000) were payable to the schemes at 31 August 2020 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £248,000 (2019: £186,000).

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 | 2020 £000 | 2019 £000 |
|--------------------------|--------------|--------------|
| Employer's contributions | 161 | 182 |
| Employees' contributions | 47 | 46 |
| Total contributions | 208 | 228 |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

| Principal actuarial assumptions | 2020 % | 2019 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.0 | 3.1 |
| Rate of increase for pensions in payment/inflation | 2.2 | 2.3 |
| Discount rate for scheme liabilities | 1.7 | 1.8 |

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

| | 2020 Years | 2019 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 20.50 | 20.6 |
| - Females | 23.10 | 23.1 |
| Retiring in 20 years | | |
| - Males | 22.00 | 22.0 |
| - Females | 25.00 | 24.8 |

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 2020 | Approximate % increase to employer liability | Approximate monetary amount (£000) |
|--|--|--|
| 0.5% decrease in Real Discount Rate | 11% | 290 |
| 0.5% increase in the Salary Increase Rate | 1% | 21 |
| 0.5% increase in the Pension Increase Rate | 10% | 264 |

Sensitivity Analysis – Radcliffe Primary School

| Changes in assumptions at 31 August 2020 | Approximate % increase to employer liability | Approximate monetary amount (£000) |
|--|--|--|
| 0.5% decrease in Real Discount Rate | 15% | 396 |
| 0.5% increase in the Salary Increase Rate | 2% | 54 |
| 0.5% increase in the Pension Increase Rate | 13% | 334 |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

| The academy trust's share of the assets in the scheme | 2020 | 2019 |
|--|-------------------|-------------------|
| | Fair value | Fair value |
| | £000 | £000 |
| Equities | 2,072 | 1,670 |
| Bonds | 488 | 393 |
| Cash | 213 | 221 |
| Property | 274 | 172 |
| | <hr/> | <hr/> |
| Total market value of assets | 3,047 | 2,456 |
| | <hr/> | <hr/> |

The actual return on scheme assets was £428,000 (2019: £108,000).

| Amount recognised in the Statement of Financial Activities | 2020 | 2019 |
|---|-------------|-------------|
| | £000 | £000 |
| Current service cost | 368 | 293 |
| Past service cost | - | 45 |
| Interest income | (47) | (64) |
| Interest cost | 85 | 96 |
| | <hr/> | <hr/> |
| Total operating charge | 406 | 370 |
| | <hr/> | <hr/> |

| Changes in the present value of defined benefit obligations | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| At 1 September 2019 | 4,410 | 3,322 |
| Current service cost | 368 | 293 |
| Interest cost | 85 | 96 |
| Employee contributions | 47 | 46 |
| Actuarial loss | 375 | 662 |
| Benefits paid | (45) | (54) |
| Past service cost | - | 45 |
| | <hr/> | <hr/> |
| At 31 August 2020 | 5,240 | 4,410 |
| | <hr/> | <hr/> |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

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

| | 2020 £000 | 2019 £000 |
|------------------------|--------------|--------------|
| At 1 September 2019 | 2,456 | 2,174 |
| Interest income | 47 | 64 |
| Actuarial gain | 381 | 44 |
| Employer contributions | 161 | 182 |
| Employee contributions | 47 | 46 |
| Benefits paid | (45) | (54) |
| At 31 August 2020 | 3,047 | 2,456 |

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

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (224) | (554) |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (15) | (45) |
| Defined benefit pension costs less contributions payable | 207 | 156 |
| Defined benefit pension scheme finance cost | 38 | 32 |
| Depreciation of tangible fixed assets | 261 | 232 |
| Decrease/(increase) in debtors | 33 | (18) |
| (Decrease)/increase in creditors | (140) | 80 |
| Net cash provided by/(used in) operating activities | 160 | (117) |

19 Analysis of changes in net funds

| | 1 September 2019 £000 | Cash flows £000 | 31 August 2020 £000 |
|------|-----------------------------|--------------------|---------------------------|
| Cash | 195 | 175 | 370 |

20 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2020 £000 | 2019 £000 |
|-----------------------------------|--------------|--------------|
| Amounts due within one year | 3 | - |
| Amounts due in two and five years | 23 | - |
| | 26 | - |

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Capital commitments

At 31 August 2020 the Trust had authorised but not contracted for capital commitments in the sum of £185,000 (2019: £nil)

22 Related party transactions

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

No related party transactions took place in the period of account.

Expenditure related party transactions

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 2020 was £407 (2019: £454).

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.