

Company Registration No. 08929065 (England and Wales)

BARNWELL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2015



BARNWELL ACADEMY TRUST

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BARNWELL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Shale (Chair)
A Whitaker
C Rogers
C Johnson (until 31/01/2015)

Trustees

A Shale (Chair)
A Whitaker (Vice chair)
C Rogers
C Johnson (Resigned 31 January 2015)
A Falconer
E Thompson
A Emmerson (Accounting officer - Appointed 1 September 2015)
J Foster (Resigned 31 August 2015)
M Speding (Resigned 18 May 2015)
S Hollis (Resigned 10 September 2015)
S Ball (Resigned 9 July 2015)
A Hawkins (Resigned 31 August 2014)
R Wilkinson (Resigned 31 August 2014)
J Orchard (Resigned 31 August 2014)
S Dimmock (Appointed 23 October 2015)
D Smith (Appointed 23 October 2015)

Senior management team

- Principal/Headteacher (from 01/09/2015) A Emmerson
- Deputy Headteacher M Green
- Business Manager C Davidge
- Principal/Headteacher (until 31/08/2015) J Foster

Company secretary

C Davidge

Company registration number

08929065 (England and Wales)

Registered office

Whitefield Estate
Houghton Le Spring
Tyne & Wear
DH4 7RT

Independent auditor

Evolution Business and Tax Advisors LLP
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
54 Fawcett Street
Sunderland
Tyne & Wear
SR1 1SF

BARNWELL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Samuel Phillips
Gibb Chambers
52 Westgate Road
Newcastle upon Tyne
Tyne & Wear
NE1 5XU

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 7th March 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a nursery and a primary academy for pupils aged 3 to 11 serving a catchment area in the coalfields area of Sunderland. It has a pupil capacity of 210 and had a roll of 209 in the school census on 15th January 2015. The trust also operates Barnwell Daycare, a 36 place provision for children aged 0-5. Barnwell Daycare is located within the Monument Centre, which also comprises a sports hall and space for children's centre activities operated by the Sunderland City Council.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The company was incorporated on 7th March 2014 and converted to academy status on 1st April 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Barnwell Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Barnwell Academy Trust.

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

Trustees' indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of recruitment and appointment or election of trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made in line with the guidance in the Articles of Association. The term of office for any Director shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees. The Head Teacher of the Academy shall be a Trustee for as long as he or she remains in that position.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees

All new Trustees and/or Governors will be given induction training by the Trust's governance partner that reflects his/her previous experience and expertise. The Trust purchases support that provides for individual and full Governing Body training through an annual Service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational structure

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Leadership Team of the Academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and is ultimately accountable for the Academy. They will hold to account the Head Teacher. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, reviewing curriculum, budget monitoring, making major decisions about the direction of the Academy and the Trust and senior staffing appointments as well as monitoring standards and performance.

The Senior Leadership Team consists of the Head Teacher, Deputy Head Teacher and Business Manager. The team lead and manage the Trust at an executive level, steering the direction of the Academy in line with strategic plans and developing opportunities. They are also responsible for the day to day operation of the Academy in addition to supporting the wider work and objectives of the Trust.

Related parties and other connected charities and organisations

Governors are required to declare any business interests that may impact on the Academy. The adopted policy is that if interests are declared then the Governor will remove themselves from the relevant decision making process.

For the period ending 31st August 2015 there are no connected organisations or related party relationships.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Barnwell Academy to provide education for pupils of different abilities between the ages of 0-3 years in a day care setting and 3-11 years in school. Barnwell Academy is dedicated to continually improving the quality of the educational provision for all of our pupils, so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

Academy aims:

- For all pupils to develop into successful learners and achieve their full potential through high quality purposeful teaching.
- To nurture and develop every child to become responsible and caring members of the community.
- To work in genuine partnerships with families and the wider community.
- To provide for every child an enjoyable, broad and balanced curriculum in a high quality, stimulating environment.
- To challenge, support and develop staff to create an outstanding workforce.

Governors, staff, parents and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Objectives, strategies and activities

During the period ending 31st August 2015 the Governing Body has developed a business plan to ensure the educational excellence of our school and its financial stability for the future. In adopting the plan at its termly meeting in July 2015, the Governing Body agreed the following strategic objectives for the period 1st September 2015 to 31st August 2018:-

- To develop systems which enable the school to strengthen its Academy status: ensuring financial stability; securing additional funding; pursuing Academy sponsorship.
- To maintain a robust premises plan to ensure that pupils and staff learn and work in a fit-for-purpose environment.
- To improve teaching and learning strategies across the school.
- To ensure the Primary Curriculum is developed to ensure provision is broad, balanced, challenging and outstanding.
- To implement changes in the revised SEND code of practice: Health Care Plans robust and provision being outcomes driven.
- To ensure that Pupil Premium continues to close the gap for vulnerable groups ensuring that every child is supported to achieve success academically, personally, socially and physically.
- To ensure the additional funding for Sport and P.E continues to improve the lifestyles of pupils through promoting healthy living, improved physical performance, increased interest and participation in competitive and non-competitive sport.
- To ensure Performance Management systems for teachers and support staff are effective.
- To maintain existing school partnerships with local primary and secondary schools and further develop links which will enable the pupils to benefit from a wider range of opportunities and initiatives.

Public benefit

The trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the academy and in planning future activities. In particular, the governors consider the provision of education to provide public benefit to the community in which it operates.

Strategic report

Achievements and performance

Objectives achieved 2014-2015:

- The Academy continues to achieve the forecast numbers of students in all year groups and maintains a waiting list for admission requests.
- Significant groups of pupils including FSM, SEN, EAL, disadvantaged and gender have been tracked to ensure progress is good.
- The National Curriculum 2014 requirements were embedded into the curriculum.
- Teaching and learning in maths improved through designated CPD, the use of practical resources and the monitoring of effective marking.
- Teaching and learning in English improved through designated CPD, introduction of the sentence framework, introduction of a handwriting policy and the monitoring of effective marking.
- Early Years Practice was improved through extending parent workshops and developing school home links and raising boy's achievement through following boy's interests in the curriculum.

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Key performance indicators

The Academy continues to be oversubscribed with a significant number of children applying for 30 places in the Reception class. All year groups maintained the PAN number of 30. Any places that became available were allocated immediately according to the Academy's admissions criteria.

High pupil attendance levels have continued. In summer 2014 the academy achieved a whole school attendance of **95.3%**.

EYFS

	2013	2014	2015
Good Level of Development	55%	60%	62%

Key Stage 1

Subject	Level	2013	2014	2015
Reading	L2	94%	97%	93%
	L2B+	77%	80%	83%
	L3	23%	33%	37%
	APS	16.2	16.9	17.0
Writing	L2	94%	97%	93%
	L2B+	77%	73%	80%
	L3	19%	20%	23%
	APS	15.7	15.7	15.7
Mathematics	L2	94%	93%	90%
	L2B+	81%	83%	83%
	L3	29%	30%	33%
	APS	16.5	16.7	16.4

Key Stage 2

Subject	Level	2013	2014	2015
Reading	L4+	94%	97%	100%
	L5	35%	87%	60%
	L6	-	-	-
	APS	28.7	30.4	30.6
Writing	L4+	90%	100%	100%
	L5	29%	40%	50%
	L6	3%	-	-
	APS	28.4	29.4	30.0
Mathematics	L4+	97%	100%	100%
	L5	42%	50%	60%
	L6	10%	13%	-
	APS	29.9	30.8	30.8

End of KS2 results consistently indicate that by the time pupils leave Barnwell Academy they have made good progress and results are consistently better than national results.

To ensure that standards are continually raised the Academy operates a schedule of robust self-evaluation to monitor the impact of teaching and learning. The Academy was last inspected by Ofsted in October 2012 and obtained a rating of 'Good'.

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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. 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

As a result of conversion to Academy status the surplus balance from the former Barnwell Primary School was brought forward into the accounts of Barnwell Academy. In addition to this the balance of the unrestricted school fund was also transferred to the Academy.

The majority of the Trust's income for the period was obtained from either the EFA (Education Funding Agency) or Local Authority as the commissioner of pupil places, the use of which is restricted for particular purposes. The grants and funding received from these bodies for the period and associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2015, total expenditure of the Academy was met by recurrent grant funding from the EFA together with other incoming resources.

In 2014/15, the governing body of the Academy has adopted the following policies relating to Financial management:-

- Terms of Reference – Financial Management
- Financial Procedures Manual
- Articles of Association
- Funding Agreement
- Charging Policy
- Academy Financial Handbook
- Accounts Direction

Under accounting standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £319,000 which has been carried forward to 2015/2016. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

Reserves policy

The Finance Committee review reserve levels on a regular basis in line with the budget monitoring information and forecasts are presented to Trustees. At 31st August 2015 the value of reserves that were freely available to the Trust was £68,057.

Reserves are currently held to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent repairs. Reserves are also needed to contribute to the repair of inherent problems associated with CLASP constructed sections of the school building, including replacement of wall cladding and windows/doors which are significantly beyond their useful life.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Governors see fit. The Trust currently operates interest bearing bank accounts but at present does not have any funds invested.

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are centred around maintaining pupil numbers and the processes in which the Academies receive their primary source of income from the EFA/DfE. This is a key area that is being strictly monitored, reviewed and managed by the Trust to understand the financial implications and take action to address, if and when changes may arise. In addition the Trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant liability on the Trusts' balance sheet.

The Academy considers all risks and since conversion Governors have begun to implement a system to assess risks that may impact the academy both immediately and medium-term. Particular risks identified are in relation to the quality of teaching, sustainability of daycare provision, safeguarding, health & safety, skills of governors, and in relation to financial controls. To mitigate risk the Academy has introduced additional systems relating to operational procedures, and internal financial controls relating to income collection and procurement. Governors are satisfied that systems are in place to mitigate exposure to major risks and take onboard advice from external sources.

Financial and risk management objectives and policies

Key Risks moving forward:-

Financial - the Academy has considerable reliance on continued Government funding through the EFA. As with all schools, the majority of incoming monetary resources are Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Reputational – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Staffing – to achieve its objectives the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Academy has appointed an internal auditor to carry out termly checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Leadership and Management – Strategies to develop middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement remain high.

Plans for future periods

The Trust plans to continue to provide outstanding education to young people. Strategic improvement plans are being developed that steer the direction of travel of the Trust. The current levels of reserves are being evaluated to ensure surplus funds are invested into resources (including buildings, equipment and staff training) to achieve maximum return and to meet our aims and objectives.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

A resolution proposing that Evolution Business and Tax Advisors LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26 Nov 15 and signed on its behalf by:

A Shale
A Shale
Chair

BARNWELL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher/Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Barnwell Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the 17 month period. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Shale (Chair)	7	8
A Whitaker (Vice chair)	6	8
C Rogers	8	8
C Johnson (Resigned 31 January 2015)	2	2
A Falconer	7	8
E Thompson	6	8
A Emmerson (Accounting officer - Appointed 1 September 2015)	0	0
J Foster (Resigned 31 August 2015)	6	8
M Speding (Resigned 18 May 2015)	1	6
S Hollis (Resigned 10 September 2015)	6	8
S Ball (Resigned 9 July 2015)	4	7
A Hawkins (Resigned 31 August 2014)	0	1
R Wilkinson (Resigned 31 August 2014)	0	1
J Orchard (Resigned 31 August 2014)	0	5
S Dimmock (Appointed 23 October 2015)	0	0
D Smith (Appointed 23 October 2015)	0	0

During the period ending 31st August 2015, 7 members resigned their position on the Governing Body. A skills audit has been carried out and an election for governors was held in October 2015.

BARNWELL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The Finance and Premises Committee is a sub-committee of the main board of trustees.

Its purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, to ensure the sound management of the Trust's finances, staffing and resources including proper planning, monitoring and probity. The committee also monitors the systems of internal control, arrangements for risk management and ensuring value for money.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
A Shale (Chair)	3	4
A Whitaker (Vice chair)	2	4
C Rogers	3	4
A Falconer	2	4
J Foster (Resigned 31 August 2015)	3	4

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the 17 month period by:

- Withdrawing from the service level agreement for providing school meals which are now produced in house, whilst improving the quality of meals and continuing to charge parents the same rate per meal.
- Implementing a staffing restructure in order to address changes in demand whilst continuing to provide additional provision to children.
- Introducing improved and more efficient systems for income collection, charging and monitoring.

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Barnwell Academy for the period 7th March 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the 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 7th March 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

BARNWELL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Sunderland City Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of governance arrangements
- testing of procurement systems and controls

testing of income control and bank reconciliations

The audit findings and subsequent reports did not include any matters which were considered to be high or significant risk. Other findings highlighted over the period included:

- Pecuniary interest forms not received from a small number of staff and trustees.
- Ensuring attendance of trustees at meetings to ensure duties can be fully discharged.
- Income collection for trips and other from other sources where details had not been passed to the school office.
- Some items purchased using the schools debit card were not supported by an authorised requisition form.

All findings have since been rectified and relevant working procedures have been updated.

On a termly basis, the auditors reports are shared with the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

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

- the work of the internal auditor/reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

BARNWELL ACADEMY TRUST


GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 26 Nov 2015 and signed on its behalf by:


A Shale
Chair


A Emmerson
Accounting officer - Appointed 1
September 2015

BARNWELL ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2015

As accounting officer of Barnwell Academy Trust with effect from 1 September 2015 I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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.

I confirm that I and the academy trust 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.

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

Approved on 1.12.15 and signed by:



A Emmerson

Accounting Officer - Appointed 1 September 2015

BARNWELL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

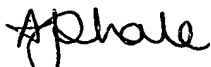
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 26 Nov 2015 and signed on its behalf by:



A Shale
Chair

BARNWELL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BARNWELL ACADEMY TRUST

We have audited the accounts of Barnwell Academy Trust for the period ended 31 August 2015 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Barnwell Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the accounts are prepared is consistent with the accounts.

BARNWELL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BARNWELL ACADEMY TRUST

Matters on which we are required to report by exception

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

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



Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated: 4/12/15

BARNWELL ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 28 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnwell Academy Trust during the period 7 March 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Barnwell Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Barnwell Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 March 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of termly Internal Assurance reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of leases and other agreements

BARNWELL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARNWELL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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 7 March 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Evolutio

Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: 4.12.15.....

BARNWELL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £
Incoming resources	Notes				
<i>Resources from generated funds</i>					
- Inherited on conversion	23	158,274	(250,000)	3,144,919	3,053,193
- Activities for generating funds	2	373,306	-	-	373,306
- Investment income	3	362	-	-	362
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	10,842	1,712,704	13,506	1,737,052
Total incoming resources		542,784	1,462,704	3,158,425	5,163,913
Resources expended					
<i>Costs of generating funds</i>					
- Relating to voluntary income	5	90,579	-	-	90,579
- Fundraising trading	5	373,306	-	-	373,306
<i>Charitable activities</i>					
- Educational operations	6	10,842	1,473,379	111,792	1,596,013
Governance costs	7	-	82,751	-	82,751
Total resources expended	5	474,727	1,556,130	111,792	2,142,649
Net incoming/(outgoing) resources before transfers		68,057	(93,426)	3,046,633	3,021,264
Gross transfers between funds		-	(20,867)	20,867	-
Net income/(expenditure) for the period		68,057	(114,293)	3,067,500	3,021,264
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(123,000)	-	(123,000)
Net movement in funds		68,057	(237,293)	3,067,500	2,898,264
Fund balances at 7 March 2014		-	-	-	-
Fund balances at 31 August 2015		68,057	(237,293)	3,067,500	2,898,264

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

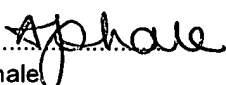
BARNWELL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£
Fixed assets			
Tangible assets	10		2,997,350
Current assets			
Stocks	11	585	
Debtors	12	107,948	
Cash at bank and in hand		183,948	
		<u>292,481</u>	
Current liabilities			
Creditors: amounts falling due within one year	13	(72,567)	
		<u></u>	
Net current assets			219,914
Net assets excluding pension liability			<u>3,217,264</u>
Defined benefit pension liability	17		(319,000)
Net assets			<u>2,898,264</u>
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds			3,067,500
- General funds			81,707
- Pension reserve			(319,000)
Total restricted funds			<u>2,830,207</u>
Unrestricted income funds	15		68,057
Total funds			<u>2,898,264</u>

The accounts were approved by order of the board of trustees and authorised for issue on 26 Nov 2015



 A Shale
 Chair

Company Number 08929065

BARNWELL ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

	Notes	31 August 2015 £
Net cash inflow/(outflow) from operating activities	18	(23,971)
Cash funds transferred on conversion		214,917
Returns on investments and servicing of finance		
Investment income		362
		<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		362
		<hr/>
		191,308
Capital expenditure and financial investments		
Capital grants received		13,506
Payments to acquire tangible fixed assets		(20,866)
		<hr/>
Net cash flow from capital activities		(7,360)
		<hr/>
Increase/(decrease) in cash	19	183,948
		<hr/>

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Barnwell Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Other income

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

Donated services and gifts in kind

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

1.5 Resources expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the 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 freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land	Not depreciated
Buildings	50 years
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 31 AUGUST 2015**

1 Accounting policies

(Continued)

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund.

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.

1.7 Leasing and hire purchase commitments

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

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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 the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Lettings income	42,920	-	42,920
Catering income	37,650	-	37,650
Clubs and childcare income	229,467	-	229,467
Trips income	15,334	-	15,334
Other income	47,935	-	47,935
	<u>373,306</u>	<u>-</u>	<u>373,306</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	362	-	362
	<u>362</u>	<u>-</u>	<u>362</u>

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
DfE / EFA grants			
General annual grant (GAG)	-	1,246,556	1,246,556
Start up grants	-	25,000	25,000
Capital grants	-	13,506	13,506
Other DfE / EFA grants	-	134,939	134,939
	-	1,420,001	1,420,001
Other government grants			
Local authority grants	-	306,209	306,209
Other funds			
Other incoming resources	10,842	-	10,842
Total funding	10,842	1,726,210	1,737,052

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £
Academy's educational operations				
- Direct costs	911,740	-	110,363	1,022,103
- Allocated support costs	308,258	124,001	141,651	573,910
	1,219,998	124,001	252,014	1,596,013
Other expenditure				
Costs of generating voluntary income	90,579	-	-	90,579
Costs of activities for generating funds	261,782	-	111,524	373,306
Governance costs	-	-	82,751	82,751
	352,361	-	194,275	546,636
Total expenditure	1,572,359	124,001	446,289	2,142,649

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

5 Resources expended

(Continued)

Net income/(expenditure) for the period includes:	2015
	£
Operating leases	
- Plant and machinery	5,305
Fees payable to auditor	
- Audit	6,000
- Other services	1,900
- Fees payable to other auditors	1,749

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £
Direct costs			
Teaching and educational support staff costs	10,842	887,898	898,740
Technology costs	-	19,290	19,290
Educational supplies and services	-	62,192	62,192
Staff development	-	13,000	13,000
Educational consultancy	-	5,469	5,469
Other direct costs	-	23,412	23,412
	10,842	1,011,261	1,022,103
Allocated support costs			
Support staff costs	-	308,258	308,258
Depreciation	-	111,792	111,792
Maintenance of premises and equipment	-	12,209	12,209
Cleaning	-	6,264	6,264
Energy costs	-	30,782	30,782
Rates and water	-	17,622	17,622
Insurance	-	49,023	49,023
Security and transport	-	1,010	1,010
Catering	-	4,386	4,386
Interest and finance costs	-	(7,000)	(7,000)
Other support costs	-	39,564	39,564
	-	573,910	573,910
Total costs	10,842	1,585,171	1,596,013

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	67,480	67,480
Auditor's remuneration			
- Audit of financial statements	-	6,000	6,000
- Other costs	-	1,900	1,900
- Fees payable to other auditors	-	1,749	1,749
Other governance costs	-	5,622	5,622
	-	82,751	82,751

8 Staff costs

	2015 £
Wages and salaries	1,234,841
Social security costs	67,081
Other pension costs	171,475
	1,473,397
Supply teacher costs	74,235
Compensation payments	11,727
Staff development and other staff costs	13,000
Total staff costs	1,572,359

The average number of persons (including senior management team) employed by the academy trust during the period expressed as full time equivalents was as follows:

	2015 Number
Teachers	17
Administration and support	14
Management	3
	34

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number
£75,001 - £80,000	1

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

8 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015
Teachers' Pension Scheme	Numbers	1
	£	9,442

9 Trustees' remuneration and expenses

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

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

Mrs A Hawkins (staff)
Remuneration £15,001 - £20,000
Employer's pension contributions £1 - £5,000

Mrs J Orchard (staff)
Remuneration £10,001 - £15,000
Employer's pension contributions £1 - £5,000

Mrs J Foster (headteacher)
Remuneration £100,001 - £105,000
Employer's pension contributions £10,001 - £15,000

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £922.

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 7 March 2014	-	-	-	-
Additions	9,804	3,976	7,086	20,866
Transfers on conversion	3,058,234	29,442	600	3,088,276
At 31 August 2015	3,068,038	33,418	7,686	3,109,142
Depreciation				
Charge for the period	90,360	20,222	1,210	111,792
At 31 August 2015	90,360	20,222	1,210	111,792
Net book value				
At 31 August 2015	2,977,678	13,196	6,476	2,997,350

11 Stocks

2015
£

Catering stock	585
----------------	-----

12 Debtors

2015
£

Trade debtors	7,017
VAT recoverable	24,181
Other debtors	18,244
Prepayments and accrued income	58,506
	107,948

13 Creditors: amounts falling due within one year

2015
£

Trade creditors	65
Taxes and social security costs	15,358
Other creditors	2,416
Accruals	36,628
Deferred income	18,100
	72,567

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

14	Deferred income	2015
		£
	Deferred income is included within:	
	Creditors due within one year	18,100
		<u>18,100</u>
	Total deferred income at 7 March 2014	-
	Amounts credited to the statement of financial activities	-
	Amounts deferred in the period	18,100
		<u>18,100</u>
	Total deferred income at 31 August 2015	18,100
		<u>18,100</u>

Deferred income includes universal free school meals funding received for the next academic year.

15	Funds	Balance at 7	Incoming	Resources	Gains, losses	Balance at 31
		March 2014	resources	expended	& transfers	August 2015
		£	£	£	£	£
	Restricted general funds					
	General Annual Grant	-	1,246,556	(1,143,982)	(20,867)	81,707
	Start up grants	-	25,000	(25,000)	-	-
	Other DfE / EFA grants	-	134,939	(134,939)	-	-
	Other government grants	-	306,209	(306,209)	-	-
		<u>-</u>	<u>1,712,704</u>	<u>(1,610,130)</u>	<u>(20,867)</u>	<u>81,707</u>
	Funds excluding pensions	-	1,712,704	(1,610,130)	(20,867)	81,707
	Pension reserve	-	(250,000)	54,000	(123,000)	(319,000)
		<u>-</u>	<u>1,462,704</u>	<u>(1,556,130)</u>	<u>(143,867)</u>	<u>(237,293)</u>
	Restricted fixed asset funds					
	DfE / EFA capital grants	-	13,506	-	-	13,506
	Inherited fixed asset fund	-	3,144,919	(110,906)	-	3,034,013
	Capital expenditure from GAG or other funds	-	-	(886)	20,867	19,981
		<u>-</u>	<u>3,158,425</u>	<u>(111,792)</u>	<u>20,867</u>	<u>3,067,500</u>
	Total restricted funds	<u>-</u>	<u>4,621,129</u>	<u>(1,667,922)</u>	<u>(123,000)</u>	<u>2,830,207</u>
	Unrestricted funds					
	General funds	-	542,784	(474,727)	-	68,057
		<u>-</u>	<u>542,784</u>	<u>(474,727)</u>	<u>-</u>	<u>68,057</u>
	Total funds	<u>-</u>	<u>5,163,913</u>	<u>(2,142,649)</u>	<u>(123,000)</u>	<u>2,898,264</u>

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

15 Funds

(Continued)

General Annual Grant must be used for the normal running costs of the academy. 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 2015.

Other DfE/EFA grants includes PE & sports funding, pupil premium, universal free school meals funding and start up grant.

Other government grants include funding for pupils with special educational needs and early years funding from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants represent Devolved Formula Capital receivable during the period which has been carried forward for use in future periods.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £149,764 at 31 August 2015.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	2,997,350	2,997,350
Current assets	68,057	154,274	70,150	292,481
Creditors falling due within one year	-	(72,567)	-	(72,567)
Defined benefit pension liability	-	(319,000)	-	(319,000)
	<u>68,057</u>	<u>(237,293)</u>	<u>3,067,500</u>	<u>2,898,264</u>

17 Pensions 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 South Tyneside Council. Both are 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 2014 and of the LGPS 31 March 2013.

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

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £66,815.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.6% for employers and 5.5% - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £115,000.

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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.

Contributions made	2015 £
Employer's contributions	157,000
Employees' contributions	39,000
Total contributions	196,000

Principal actuarial assumptions	2015 %
Rate of increase in salaries	3.6
Rate of increase for pensions in payment	2.1
Discount rate for scheme liabilities	3.8
Inflation assumption (CPI)	2.1

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

	2015 Years
Retiring today	
- Males	23.1
- Females	24.7
Retiring in 20 years	
- Males	25.1
- Females	27.0

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £
Equities		540,854
Government bonds		29,412
Corporate bonds		94,772
Cash		26,144
Property		75,981
Other assets		49,837
		<hr/>
Total market value of assets		817,000
Present value of scheme liabilities - funded		(1,136,000)
		<hr/>
Net pension asset / (liability)		(319,000)
		<hr/>

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at the accounting date.

Amounts recognised in the statement of financial activities

	2015 £
Operating costs/(income)	
Current service cost (net of employee contributions)	110,000
Past service cost	-
	<hr/>
Total operating charge	110,000
	<hr/>
Finance costs/(income)	
Expected return on pension scheme assets	(63,000)
Interest on pension liabilities	56,000
	<hr/>
Net finance costs/(income)	(7,000)
	<hr/>
Total charge/(income)	103,000
	<hr/>

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £
Actuarial (gains)/losses on assets: actual return less expected	11,000
Experience (gains)/losses on liabilities	112,000
(Gains)/losses arising from changes in assumptions	-
Total (gains)/losses	123,000
Cumulative (gains)/losses to date	123,000

Movements in the present value of defined benefit obligations

	2015 £
Obligations acquired on conversion	(821,000)
Current service cost	(110,000)
Interest cost	(56,000)
Contributions by employees	(39,000)
Actuarial gains/(losses)	(112,000)
Benefits paid	2,000
At 31 August 2015	(1,136,000)

Movements in the fair value of scheme assets

	2015 £
Assets acquired on conversion	571,000
Expected return on assets	63,000
Actuarial gains/(losses)	(11,000)
Contributions by employers	157,000
Contributions by employees	39,000
Benefits paid	(2,000)
At 31 August 2015	817,000

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations	(Continued)
History of experience gains and losses	
	2015 £
Present value of defined benefit obligations	(1,136,000)
Fair value of share of scheme assets	817,000
	<hr/>
Surplus / (deficit)	(319,000)
	<hr/>
Experience adjustment on scheme assets	(11,000)
Experience adjustment on scheme liabilities	(112,000)
	<hr/>
18 Reconciliation of net income to net cash inflow/(outflow) from operating activities	
	2015 £
Net income	3,021,264
Capital grants and similar income	(13,506)
Net deficit/(surplus) transferred on conversion	(3,053,193)
Investment income	(362)
Defined benefit pension costs less contributions payable	(47,000)
Defined benefit pension finance costs/(income)	(7,000)
Depreciation of tangible fixed assets	111,792
(Increase)/decrease in stocks	(585)
(Increase)/decrease in debtors	(107,948)
Increase/(decrease) in creditors	72,567
	<hr/>
Net cash inflow/(outflow) from operating activities	(23,971)
	<hr/>
19 Reconciliation of net cash flow to movement in net funds	
	2015 £
Increase/(decrease) in cash	183,948
Net funds at 7 March 2014	-
	<hr/>
Net funds at 31 August 2015	183,948
	<hr/>

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

20 Analysis of net funds

	At 7 March 2014	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£	£
Cash at bank and in hand	-	214,917	(30,969)	-	183,948

21 Commitments under operating leases

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

	2015 £
Expiry date:	
- Within one year	8,451
- Between two and five years	5,605
	<u>14,056</u>

22 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place during the period.

BARNWELL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

23 Conversion to an academy

On 1 April 2014 the Barnwell Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Barnwell Academy Trust from the Sunderland Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Funds surplus/(deficit) transferred:	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total 2015 £
Fixed assets funds	-	-	3,144,919	3,144,919
LA budget funds	158,274	-	-	158,274
LGPS pension funds	-	(250,000)	-	(250,000)
	<u>158,274</u>	<u>(250,000)</u>	<u>3,144,919</u>	<u>3,053,193</u>
Net assets transferred:				£
Leasehold land and buildings				3,088,276
Cash				214,917
Pension surplus/(deficit)				(250,000)
				<u>3,053,193</u>

24 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.