

REGISTERED COMPANY NUMBER: 08426967 (England and Wales)

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE PERIOD**  
**4TH MARCH 2013 TO 31ST AUGUST 2014**  
**FOR**  
**BIRCHWOOD COMMUNITY ACADEMY TRUST**

THURSDAY



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18/12/2014

#287

COMPANIES HOUSE

TLL Accountants  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

**BIRCHWOOD COMMUNITY ACADEMY TRUST**  
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**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

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**BIRCHWOOD COMMUNITY ACADEMY TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**MEMBERS**

B Sanson (appointed 31.3.2013)  
A Paton (appointed 31.3.2013)  
D Ost (appointed 31.3.2013)  
B Evans (appointed 31.3.2013)  
C Burrows (appointed 31.3.2013)

**TRUSTEES**

B Sanson (Chair) (appointed 31.3.2013)  
A Paton (Vice Chair) (appointed 31.3.2013)  
D Ost (appointed 31.3.2013)  
B Evans (appointed 31.3.2013)  
C Burrows (appointed 31.3.2013)  
T Coles (appointed 31.3.2013)  
A Atherton (appointed 31.3.2013)  
R Panting (appointed 31.3.2013)  
G Hughes (appointed 31.3.2013)  
P Taylor (appointed 31.3.2013)  
N Reeves (appointed 31.3.2013)  
J Buckley (appointed 31.3.2013) (resigned 31.7.2013)  
K Ratcliffe (appointed 31.3.2013) (resigned 30.9.2013)  
J Evans (appointed 31.3.2013)  
R Agnew (appointed 30.11.2013) (resigned 7.10.2014)  
A Lindsay (appointed 30.11.2013)  
L Gilchrist (appointed 31.3.2013)  
C Dore (appointed 31.3.2013)  
R Johnson (appointed 31.3.2013) (resigned 30.6.2014)  
T Lynskey (appointed 31.7.2014)  
A Bright (Headteacher) (appointed 31.3.2013)  
I Parkinson (appointed 1.9.2014)  
R Broad (appointed 1.9.2014)

**COMPANY SECRETARY**

J Calderbank

**SENIOR LEADERSHIP TEAM**

Headteacher	A Bright
Deputy Headteacher	M Bryan
Assistant Headteacher	J Roscow
Assistant Headteacher	R Ellwood
Assistant Headteacher	R Grimmer
Assistant Headteacher	J Burnham
Schools Accounts Manager	A McNicholas
Facilities, Health and Safety	R Johnson

**REGISTERED OFFICE**

Brock Road  
Birchwood  
Warrington  
Cheshire  
WA3 7PT

**REGISTERED COMPANY NUMBER** 08426967 (England and Wales)

**BIRCHWOOD COMMUNITY ACADEMY TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**AUDITORS**

TLL Accountants  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

**BANKERS**

Lloyds TSB Bank Plc  
1 Horsemarket Street  
Warrington  
WA1 1TP

**SOLICITORS**

Browne Jacobson LLP  
Ground Floor  
3 Piccadilly Place  
M1 3BN

**BIRCHWOOD COMMUNITY ACADEMY TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 4th March 2013 to 31st August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

**INCORPORATION**

The charitable company was incorporated on 4th March 2013 and commenced trading on 1st July 2013.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

**Introduction**

Birchwood Community Academy Trust is a charitable company limited by guarantee. It was incorporated on 4 March 2013 and began trading on 1st July 2013. It is a single academy trust and it is governed by one set of articles and one funding agreement between the academy and the Secretary of State.

There are 2 layers of office: the Members of the Trust and Governors.

**Members**

The Members have ultimate control over the direction of the Board of Trustees. They ensure the charitable company achieves its objectives, sign off the financial accounts and annual report, and appoint the governors with the exception of those who are elected or are governors due to their position. The five members serving on Birchwood Community Academy Trust (BCAT) Board of Trustees also serve as Governors.

**Governors**

The Governors are responsible for 3 core strategic functions:

- The strategic direction of the Academy, holding the Headteacher to account for educational performance and overseeing financial performance.
- They also ensure compliance with charity and company law and the academy trust's funding agreement.
- Both members and governors are trustees of the Academy Trust.

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of Birchwood Community Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Birchwood Community Academy Trust. Details of the trustees who served during the period are included in the Reference and Administrative section of the financial statements found 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**

Subject to the provision of the Companies Act 2006, every Governor or other officer of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. The insurance provides cover up to £5,000,000 on any one claim and the costs for the period ended 31 August 2014 was £1,750.

## **BIRCHWOOD COMMUNITY ACADEMY TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Principal activities**

The Academy Trust's object, as set out in the Articles of Association, is

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- To promote for the benefit of the inhabitants of Warrington and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said individuals.

##### **Recruitment and appointment of new trustees**

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms set out in the Articles of Association.

The Governors are Directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purposes of the charity legislation. Governors are appointed by Members. The Governors may appoint up to 3 Co-opted Governors and up to 6 Community Governors.

Governors are appointed as and when vacancies occur or when individuals with the skills required are identified.

Parent Governors shall be elected by parents of the registered learners and students at the Academy Trust, using the procedures set out in the Articles of Association. The Secretary of State retains the power to appoint additional Governors.

The term of office for any Governor shall be four periods (one period being a school year) save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re-elected.

The Governors who were in office at 31 August 2014 and who served during the period are included in the Reference and Administrative section the financial statements found on page 1.

##### **Induction and training of new trustees**

Training and induction for new Governors is given on an individual basis and includes one to one meetings with key staff and Governors, visits to the school and a Governors' Handbook.

Where necessary induction will include training on educational, legal and financial matters. All new Governors are provided with copies of key documents, such as Articles of Association, policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors.

## **BIRCHWOOD COMMUNITY ACADEMY TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

The new Academy Trust began trading on 1 July 2013 (having been incorporated on 4 March 2013) and has developed a governance and management structure deemed appropriate to the Academy Trust's constitution and objects. The Academy Trust's organisational structure consists of four levels: the Governors, the Senior Leadership Team (SLT), Heads of Department and Subject Leaders. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy Trust, approving major items of expenditure and making senior staff appointments.

The Governing Body operates a committee structure reporting to the main Governing Body.

There are seven sub-committees;

- Executive – which comprises the Chairs of other committees
- Finance
- Personnel
- Academic Quality Assurance and Planning – which reviews the school curriculum, performance and school development
- Facilities, Health and Safety
- Pay
- Search

All committees have approved terms of reference.

During the course of the period to 31 August 2014 the full Governing Body met 6 times.

The Governors have approved a scheme of financial and decision making delegation which clearly sets out the level of authority delegated to the Head Teacher and members of the Senior Leadership Team.

The Teacher who is the Academy Trust's Accounting Officer is A Bright. Members of the SLT are responsible for developing and implementing Academy Trust plans that seek to deliver the best possible outcomes for its learners and students within the agreed budget and scheme of delegation approved by Governors. The School's Accounts Manager is responsible for financial management. The Director of Facilities, Health and Safety is responsible for the supporting IT, premises and contract management. Members of the SLT are set out on page 1.

The Heads of Department and Subject Leaders are responsible for the day to day delivery of teaching and learning of the Academy Trust, in particular the teaching staff, learners and students.

##### **Connected organisations including related party relationships**

The Academy works within the local authority of Warrington and as such has close links with Warrington Borough Council. The Academy has connected party relationships with LiveWire, a charitable trust which delivers Leisure, Library and Lifestyles services in Warrington, to improve health and wellbeing outcomes for the local community including our learners, students and their families. The Academy also has connected party relationships with 5 local primary schools through a strategic working group called Warrington East Strategic Partnership, which aims to maximise progress and attainment for all children and young people in schools and to support the welfare of families.

## **BIRCHWOOD COMMUNITY ACADEMY TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal object and activity of the charitable company is set out in the Articles of Association. In summary it is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In addition the Academy Trust aims to improve teaching and learning on a wider basis across school communities through partnership arrangements.

In accordance with the Articles of Association, the Academy Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, among other things, the basis for admitting learners and students to the Academy Trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the National Curriculum.

##### **Objectives, Strategies and Activities**

The Academy exists to advance the education in the Birchwood area of Warrington, Cheshire offering a broad based curriculum.

The Governing Body is determined to maintain the ethos, values, standards and achievements of the school whilst continuing to work to fulfil the medium and longer term development plans.

##### **Principal and objectives for the period September 2013 - August 2014**

- Ensuring delivery of consistently outstanding Teaching and Learning.
- Preparing our young people to be outstanding citizens.
- Inspire and motivate staff and students to give the best of themselves
- Develop a curriculum fit for purpose.
- Have pride in ourselves and in our school.
- Embrace new opportunities for learners, students and staff
- To fully develop the social, moral, spiritual and cultural development of our young people.
- Develop our partnership with Great Sankey High School Teaching School Alliance and the School Direct programme to support new teacher recruitment
- Engage in school to school support to encourage and raise attainment in other schools.

##### **Priorities for the period**

- Improve the proportion of outstanding teaching
- Achievement of learners and students and closing the gap
- Monitoring and evaluation
- Further develop Birchwood College

##### **Equal Opportunities Policy**

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating a workplace environment in which the contribution and needs of all people are fully valued.

##### **Disabled Persons**

The Governors recognise their responsibility under disability legislation in relation to disabled students and employees and accessibility, in order to ensure that disabled students and employees do not receive less favourable treatment.

The policy of the Academy Trust is to support the recruitment and retention of learners and employees with disabilities by making resources available and through training and career development, and supports this by adapting the physical environment where practicable and reasonable.

##### **Public benefit**

In setting the Academy Trust's objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and comply with their requirements. There are a wide range of extra-curricular activities, educational trips, visits and foreign trips offered and undertaken.



**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**REPORT OF THE TRUSTEES**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**STRATEGIC REPORT**

**Achievement and performance**

*Charitable activities*

**Key Stage 4 2014 Results**

In a year when Ofqual described exam results as 'volatile', overall attainment was good for the second year running. Some subjects attained outstanding results (Maths, Geography, Religious Studies, Drama, Music, Catering) with a three year trend of outstanding results for Maths, Geography, Religious Studies and Music. For the second year running BCHS has achieved the fourth highest 5+ A\*-C results including Maths/English (M/E) in Warrington L.A.

<b>Headlines</b>	<b>Percentage of learners</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
5+ A* -C inc.M/E		54	70.1	63.3
3+ A* -A		23	29	24.8
5+ A* -C		79.6	82.6	71.4
E-Bacc		18	24	23.8

Levels of progress in Maths and English have continued to be above national average for the second year running with the new average Progress 8 measure showing a positive value (0.17). Value added scores in all E-Bacc subjects are all just above or just below 1000, an increase from 2013 results.

<b>LOP</b>	<b>Percentages of learners</b>	<b><u>3 LOP</u></b>	<b><u>4 LOP</u></b>	<b><u>5 LOP</u></b>
English		75.1	24.9	4.4
Maths		77.7	25.7	6.4

Science, which was identified as an area for improvement in the 2012 OFSTED, has shown a rapid upward trend in both attainment and progress due a robust Raising Achievement Plan in 2012-2014. The percentage of learners achieving 2+ science GCSE grades at C or above was the highest in the Warrington Local Authority in 2014 (71.8%).

<b>Science %</b>	<b>Percentage of learners</b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Core A* -C		43	56	62	67.7
Additional A* -C		41	49	59	69.4
2 or more Science at C+		-	-	-	71.8

Improving the progress and attainment gaps for key groups was a school priority in 2014 and will continue to be so in 2014-15. The gap for Pupil Premium, which had reduced below national average in 2013 increased in 2014 despite tight monitoring of interventions and support and targeted spending of the Pupil Premium budget.

<b>Gender</b>	<b>Percentage of learners</b>	<b><u>2014 %</u></b>
5+ A* -C including Maths/English - Boys		55
5+ A* -C including Maths/English - Girls		67
GAP		12
3+ Levels of Progress English - Boys		66
3+ Levels of Progress English - Girls		84
GAP		18
3+ Levels of Progress Maths - Boys		76
3+ Levels of Progress Maths - Girls		79
GAP		3

## BIRCHWOOD COMMUNITY ACADEMY TRUST

### REPORT OF THE TRUSTEES FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014

<b>Pupil Premium</b>	<b>Percentage of learners</b>	<b>2014 %</b>
5+ A* -C including Maths/English - Pupil Premium		31
5+ A* -C including Maths/English - Non Pupil Premium		69
GAP		38
3+ Levels of Progress English - Pupil Premium		54.3
3+ Levels of Progress English - Non Pupil Premium		79.4
GAP		25.1
3+ Levels of Progress Maths - Pupil Premium		59.4
3+ Levels of Progress Maths - Non Pupil Premium		80.1
GAP		20.7

#### **Key Stage 5 2014 Results**

The College achieved excellent A2 and BTEC level 3 results in this year achieving 100% pass rate for our students. In Year 13, 83% of students achieved A\*-C grades, 53% A\* - B and 22% A\* - A grades.

In 7 subjects; English Literature, Mathematics, Business Studies, Geography, Chemistry, Biology and Physics 100% of students achieved A\*- C grades. Students also excelled in BTEC Level 3 qualifications with 81% achieving or exceeding their target grade and 55% of students achieving a Distinction\* or Distinction grade. There was continued success in Acting and Music, where 100% of students achieved Distinction\* grades.

Overall, including A Levels and BTECs, 81% of students either achieved or exceeded their target grade.

#### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Key financial performance indicators**

The Academy Trust complies with all the terms and conditions of its Funding Agreement.

### **STRATEGIC REPORT**

#### **Financial review**

##### *Reserves policy*

The Governors determine what the appropriate level of uncommitted reserves should be. The aims are:

- To provide sufficient working capital to cover delays between spending and receipt of grants;
- To provide contingency funding for unexpected emergencies;
- To remain appropriately funded over the medium term in order to deliver the Academy Trust's Plan and;
- To provide funding capacity for future estate maintenance and planned capital investment.

The Governors have reviewed these reserve levels and believe that they should provide sufficient working capital to cover its above stated aims. In the first year of conversion, the Governors believe that holding a high level of reserves is prudent as it wishes to maintain high levels of staffing to deliver high quality outcomes for learners and students in the context of falling rolls locally. In addition, it wishes to use reserves to enable the second year of the Academy's ICT strategic plan to be delivered. This level will be reviewed annually in light of prevailing risks and Plan developments.

In order to ensure sufficient funds are safeguarded for known future developments the following un-restricted funds have been designated in the Balance Sheet:-

- New National Curriculum Developments £200,000
- Falling rolls and associated staffing adjustments £250,000

## **BIRCHWOOD COMMUNITY ACADEMY TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

#### **STRATEGIC REPORT**

##### **Financial review (continued)**

These financial statements reflect a 14 month accounting period of operation as an Academy Trust. The Academy Trust began trading on 1 July 2013 but was incorporated on 4 March 2013. The majority of income received is obtained from the Education Funding Agency (EFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the Academy Trust. Total grants received from the EFA are set out in the statement of financial activities.

During the period the Academy Trust received £7,274,364 of educational income, of which £6,893,431 was GAG/EFA funding. Other grants and income amounted to £380,933. In addition to this the Academy Trust inherited the buildings from which it operates. These have been shown in the accounts within assets on conversion and capitalised at a value of £10,325,054 and cash funds introduced of £883,957.

Expenditure for the period totalled £7,220,033 (excluding depreciation), including £5,849,796 of staff related costs supporting the day to day running of the Academy Trust.

In aggregate, during the period, the excess total income over total expenditure was £904,290 (including unrestricted cash introduced but excluding restricted fixed asset funds and pension deficit).

The Academy Trust also inherited the Local Government Pension Scheme (LGPS) liability. The LGPS liability stands at £1,016,000 as at the 31 August 2014. This is detailed in note 20 of the financial statement.

As at the 31 August 2014, the net book value of fixed assets after depreciation of £565,459 amounts to £10,079,542 as shown in note 13 of the financial statements. The assets were used exclusively for providing education and the associated support services to the learners and students for the Academy Trust.

##### **Investment policy and objectives**

The Academy will invest only in low risk bank deposit accounts, in accordance with the Academy Trust's reserves policy, with the flexibility to invest across a range of account terms in order to balance liquidity and return.

##### **Principal risks and uncertainties**

The key financial risks that have been identified and are under management include failure to achieve planned pupil entry numbers (assessed as a medium resultant risk) and failure to manage the day to day running of the Academy Trust in the medium term within forecast funding limits (assessed as a low resultant risk). Maintaining sustainable improvements in student achievement is one of the Academy Trust's key performance related risks and is effectively managed with a low resultant risk score. The Academy Trust has in place controls against its key identified risks and has initiated actions in order to mitigate and manage down risks. Where significant financial risk still remains the Academy Trust has ensured that adequate insurance cover is in place and that necessary adjustments are reflected within the annual accounts.

##### **Financial and risk management objectives and policies**

As an Academy Trust funded directly by the department of education, funding streams are considered to be relatively secure subject to management of learner numbers, although the Governors recognise government policy and overall funding levels present an external risk to manage.

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**REPORT OF THE TRUSTEES**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**STRATEGIC REPORT**

**Financial and risk management objectives and policies**

The Governors have a risk management strategy and policy which is managed and reviewed on a regular basis. The Academy Trust manages its finances to ensure a healthy level of reserves adequate to cover unforeseen circumstances and to make planned use as a part of its medium term financial plan.

**Future developments**

The Academy, Birchwood Community Academy Trust, will continue to work to continuously improve the standards and performance of all learners and students at all levels. It will continue to deliver School Direct programmes and provide school to school support. It is focussed on delivering outstanding teaching and learning and will ensure that staff are trained, determined, motivated and enthused to deliver outstanding lessons. In doing this we aim to further improve outcomes for learners and students. The Trustees have ambitions to improve the environment and all areas of the Academy but acknowledge and recognise that these plans and ambitions will depend on future funding availability.


**Auditor**

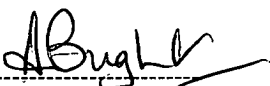
So far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

**AUDITORS**

Report of the Trustees, incorporating a Strategic Report, approved by order of the Board of Trustees, as the Company Directors, on 9th December 2014 and signed on the Board's behalf by:

  
-----  
B Sanson - Trustee / Chair

  
-----  
A Bright - Trustee / Accounting Officer

## **BIRCHWOOD COMMUNITY ACADEMY TRUST**

### **GOVERNANCE STATEMENT** **FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

#### **Scope of Responsibility**

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

The Board of Governors has delegated day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform to the requirements and responsibilities assigned to it in the funding agreement between Birchwood Community Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Governors has formally met 6 times during the period to 31 August 2014. Attendance during the period for the Board of Governors meetings during the period was as follows:

<b>Trustee</b>	<b>Meetings</b>	<b>Out of a possible</b>
B Sanson	5	5
A Paton	6	6
D Ost	5	6
B Evans	4	6
C Burrows	5	6
T Coles	6	6
A Atherton	5	6
R Panting	4	6
G Hughes	4	6
P Taylor	2	6
N Reeves	4	6
J Buckley	0	0
K Ratcliffe	0	0
J Evans	4	6
R Agnew	4	5
A Lindsay	5	5
L Gilchrist	5	6
C Dore	3	6
R Johnson	3	4
T Lynskey	1	2
A Bright (Headteacher)	6	6

The Finance Committee is a sub-committee of the main Board. The Finance Committee has met 6 times to discuss key aspects of the financial management of the Academy Trust and to review the audit arrangements applied. Attendance during the period for the trustees was as follows:

**BIRCHWOOD COMMUNITY ACADEMY TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

Name	Meetings attend	Out of a possible
A Paton	6	6
B Sanson	5	6
C Burrows	6	6
C Dore	3	6
T Coles	5	6
P Taylor	4	6
G Hughes	6	6
A Lindsay	4	4
R Johnson	5	5
A Bright (Headteacher)	6	6

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the likely impact, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Birchwood Community Academy Trust for the period from 1 July 2013 to 31 August 2014 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place during the period from 1 July 2013 to 31 August 2014 and up to the date of the approval of the annual report and financial statements. The process will be regularly reviewed by the Board.

**The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of improving 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 being developed and reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- 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 allocate this role to the Responsible Officer for this year.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The internal Audit role was carried out by the Responsible Officer and testing commenced prior to the period end.

**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

BIRCHWOOD COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT  
FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014

**Review of Effectiveness (continued)**

- The work of the external auditor
- The work the Responsible Officer within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

Moving forward the Accounting Officer will continue to be advised of the implications of the results of the review of system of internal control by the Finance Committee and will 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 9th December 2014 and signed on its behalf by:



.....  
B Sanson - Trustee / Chair



.....  
A Bright - Accounting Officer / Trustee

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

As Accounting Officer of Birchwood Community Academy Trust I have considered my responsibility to notify the Charitable Company 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 Charitable Company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Charitable Company Board of Trustees are able to identify any material irregular or improper use of funds by the Charitable Company, or material non-compliance with the terms and conditions of funding under the Charitable Company'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.

As Accounting Officer of Birchwood Community High School 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. 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.



.....  
A Bright - Accounting Officer

Date: 9<sup>th</sup> December 2014



**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

The Trustees (who act as Governors of Birchwood Community Academy Trust are also the Directors of the Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 9<sup>th</sup> December 2014 and signed on it's behalf by:



.....  
B Sanson - Trustee / Chair

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BIRCHWOOD COMMUNITY ACADEMY TRUST**

We have audited the financial statements of Birchwood Community Academy Trust for the period ended 31st August 2014 on pages nineteen to thirty seven. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (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 auditors' 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.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page fifteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2014 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BIRCHWOOD COMMUNITY 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



P Buck ACA, DChA (Senior Statutory Auditor)  
for and on behalf of TLL Accountants  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

Date: ..... *15 December 2014* .....

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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birchwood Community Academy Trust during the period 1<sup>st</sup> July 2013 to 31st August 2014 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 Birchwood Community 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 Birchwood Community 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 Birchwood Community Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Birchwood Community Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Birchwood Community Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2012, 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 2013 to 2014. 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 4th March 2013 to 31st August 2014 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 2013 to 2014 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 matter 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 charitable company's income and expenditure.

In addition to reviewing the Accounting Officer's regularity statement and work carried out by the Accounting Officer in order to make this statement, our work included a review of the Academy's internal audit work carried out by the Responsible Officer. In our planning of this work, a risk review was carried out covering areas of compliance, in order to allow us to focus our work on the key areas. Certain reliance was also placed on some of our audit work and review of systems and controls already carried out.

**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<sup>st</sup> July 2013 to 31st August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Responsible Officer checks only commenced towards the end of the financial year, as noted in the Accounting Officer's statement. This was accepted as reasonable however, given that this is the Academy's first year. The RO has since carried out retrospective checks on the rest of the period.

*TLL Accountants*

TLL Accountants  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

Date: *15 December 2014*

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**  
**(Incorporating the Income and Expenditure Account)**

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	1,245	-	-	1,245
Voluntary income - Transfer from Local Authority on conversion		771,810	112,147	10,325,054	11,209,011
Activities for generating funds	3	194,313	32,511	-	226,824
Investment income	4	4,629	-	-	4,629
<b>Incoming resources from charitable activities</b>	<b>5</b>				
Education		<u>224,207</u>	<u>6,872,791</u>	<u>177,366</u>	<u>7,274,364</u>
<b>Total incoming resources</b>		<b>1,196,204</b>	<b>7,017,449</b>	<b>10,502,420</b>	<b>18,716,073</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising trading: cost of goods sold and other costs	7	251,656	-	-	251,656
<b>Charitable activities</b>	<b>9</b>				
Education		40,258	6,902,050	565,459	7,507,767
<b>Governance costs</b>	<b>10</b>	<u>-</u>	<u>26,069</u>	<u>-</u>	<u>26,069</u>
<b>Total resources expended</b>	<b>6</b>	<b>291,914</b>	<b>6,928,119</b>	<b>565,459</b>	<b>7,785,492</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>904,290</b>	<b>89,330</b>	<b>9,936,961</b>	<b>10,930,581</b>
<b>Other recognised gains/losses</b>					
Actuarial Gains / (losses) on deferred benefit pension schemes		<u>-</u>	<u>(1,016,000)</u>	<u>-</u>	<u>(1,016,000)</u>
<b>Net movement in funds</b>		<b>904,290</b>	<b>(926,670)</b>	<b>9,936,961</b>	<b>9,914,581</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>904,290</u></b>	<b><u>(926,670)</u></b>	<b><u>9,936,961</u></b>	<b><u>9,914,581</u></b>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**BALANCE SHEET**  
**AT 31ST AUGUST 2014**

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	142,581	-	9,936,961	10,079,542
<b>CURRENT ASSETS</b>					
Stocks	14	4,472	-	-	4,472
Debtors	15	175,805	-	-	175,805
Cash at bank		828,148	89,330	-	917,478
		1,008,425	89,330	-	1,097,755
<b>CREDITORS</b>					
Amounts falling due within one year	16	(246,716)	-	-	(246,716)
<b>NET CURRENT ASSETS</b>		761,709	89,330	-	851,039
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		904,290	89,330	9,936,961	10,930,581
<b>PENSION LIABILITY</b>	20	-	(1,016,000)	-	(1,016,000)
<b>NET ASSETS/(LIABILITIES)</b>		904,290	(926,670)	9,936,961	9,914,581
<b>FUNDS</b>	19				
Unrestricted funds:					
General fund					454,290
Designated fund					450,000
					904,290
Restricted funds:					
School fund					89,330
Pension					(1,016,000)
GAG/EFA funds					-
Restricted fixed assets					9,936,961
<b>TOTAL FUNDS</b>					9,914,581

The notes form part of these financial statements

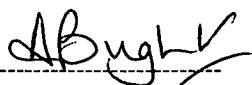
**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**BALANCE SHEET - CONTINUED**  
**AT 31ST AUGUST 2014**

The financial statements were approved by the Board of Trustees on 9<sup>th</sup> December 2014 and were signed on its behalf by:



-----  
B Sanson – Trustee / Chair



-----  
A Bright – Accounting Officer / Trustee

The notes form part of these financial statements

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**CASH FLOW STATEMENT**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

	Notes	£
Net cash inflow from operating activities	1	1,055,976
Returns on investments and servicing of finance	2	4,083
Capital expenditure and financial investment	2	(142,581)
		<hr/>
Increase in cash in the period		<u>917,478</u>
<hr/>		
Reconciliation of net cash flow to movement in net debt	3	
Increase in cash in the period		<u>917,478</u>
Change in net debt resulting from cash flows		<u>917,478</u>
Movement in net debt in the period		917,478
Net debt at 4th March		<hr/> -
Net debt at 31st August		<u>917,478</u>

The notes form part of these financial statements



**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	£
Net incoming resources	10,930,581
Depreciation charges	565,459
Capital grants from DfE/EFA	(177,366)
Transfer from Local Authority on conversion	(10,325,054)
Interest received	(4,629)
Interest paid	546
Increase in stocks	(4,472)
Increase in debtors	(175,805)
Increase in creditors	246,716
<b>Net cash inflow from operating activities</b>	<b><u>1,055,976</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	£
<b>Returns on investments and servicing of finance</b>	
Interest received	4,629
Interest paid	(546)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>4,083</u></b>
 <b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(319,947)
Capital grants from DfE/EFA	177,366
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(142,581)</u></b>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 4.3.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank	-	917,478	917,478
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>-</u></b>	<b><u>917,478</u></b>	<b><u>917,478</u></b>

## **BIRCHWOOD COMMUNITY ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

##### **Going concern**

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### **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. The General Annual Grant is treated as restricted income. Capital grants are shown in the Restricted Fixed Asset Funds. Where GAG monies are expended on fixed assets, a transfer is made from the General Restricted Fund to the Restricted Fixed Asset Fund to reflect the increase in Fixed Asset balances.

##### **Donations**

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

##### **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 academy trust's policies.

##### **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. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Cost 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 Governor's meetings and reimbursed expenses.

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 12.5% on cost
Motor vehicles	- 10% on cost
Computer equipment	- 33% on cost

Individual assets costing less than £100 are not capitalised but expended as costs within the Statement of Financial Activities.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement 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 20 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 recognised as they are paid each year.

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.

The loss on pension scheme shown for the year end of £1,016,000 combines the balance introduced and the movement during the year, since the basis of valuation was changed in the interim, rendering the 'movement in the year' figure meaningless.

**Leased assets**

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

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**2. VOLUNTARY INCOME**

Donations	£ <u>1,245</u>
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**3. ACTIVITIES FOR GENERATING FUNDS**

Hire of facilities	£ 11,536
School dinners and vending	<u>215,288</u>
	<u>226,824</u>

**4. INVESTMENT INCOME**

Deposit account interest	£ <u>4,629</u>
--------------------------	-------------------

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Activity	£
Funding for educational activities	Education	7,194,940
Community activities	Education	<u>79,424</u>
		<u>7,274,364</u>

**Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2014 £
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	6,533,885	-	6,533,885
Start up Grants	-	-	-	-
Capital Grants	-	-	177,366	177,366
Other DfE/EFA Grants	-	182,180	-	182,180
	-	6,716,065	177,366	6,893,431
<b>Other Government grants</b>				
Local authority grants	-	-	-	-
Special educational projects	-	-	-	-
	-	-	-	-
<b>Other income</b>				
Recharges and fees	224,207	-	-	224,207
School funds	-	156,726	-	156,726
	224,207	156,726	-	380,933
<b>Total</b>	224,207	6,872,791	177,366	7,274,364

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**6. RESOURCES EXPENDED**

	Staff costs £	Premises £	Non-pay expenditure Other costs £	Total £
<b>Costs of generating funds</b>				
Fundraising trading: cost of goods sold and other costs	133,264	-	118,392	251,656
Charitable activities (see note 9 below)	5,561,624	511,277	1,434,866	7,507,767
 Governance costs including allocated support costs	 7,500	 -	 18,569	 26,069
	<u>5,702,388</u>	<u>511,277</u>	<u>1,571,827</u>	<u>7,785,492</u>

Net resources are stated after charging/(crediting):

	£
Auditors' remuneration	4,500
Depreciation - owned assets	<u>565,459</u>

**7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS**

	£
Purchases	118,392
Staff costs	<u>133,264</u>
	<u>251,656</u>

**8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES**

	Direct costs £	Support costs (See note 9 ) £	Totals £
Education	<u>4,840,871</u>	<u>2,666,896</u>	<u>7,507,767</u>

**9. ANALYSIS OF CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs	Total
Staff including social security and pension	3,685,078	1,966,546	5,651,624
Premises expenses	-	511,277	511,277
Educational supplies	161,112	-	161,112
Stationery, postage and telephone	-	83,901	83,901
Depreciation of buildings and other assets	565,459	-	565,459
Other	429,222	105,172	534,394
	<u>4,840,871</u>	<u>2,666,896</u>	<u>7,507,767</u>

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**10. GOVERNANCE COSTS**

	£
Staff costs	7,500
Auditors' remuneration	4,500
Professional fees	<u>14,069</u>
	<u>26,069</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

The headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expense from the academy in respect of their role as governors. The value of governors' remuneration for the 14 month period was as follows:

A Bright (headteacher and governor)	£95,000 - £100,000
R Johnson (staff governor)	£50,000 - £55,000
L Gilchrist (staff governor)	£40,000 - £45,000
C Dore (staff governor)	£35,000 - £40,000
T Lynskey (staff governor)	£25,000 - £30,000

**Trustees' expenses**

During the period ended 31st August 2014, travel and subsistence expenses totalling £1,612 were reimbursed to 4 trustees.

Other related party transactions involving the governors are set out in note 21.

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**12. STAFF COSTS**

	£
Wages and salaries	4,781,622
Social security costs	324,739
Other pension costs	<u>686,032</u>
	5,792,393
Other staff costs (DPB)	7,694
Staff related insurance	<u>49,709</u>
	<u><u>5,849,796</u></u>

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

Teaching staff	65
Administration and support	64
Management	<u>8</u>
	<u><u>137</u></u>

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

£60,001 - £70,000	3
£70,001 - £80,000	1
£90,001 - £100,000	<u>1</u>
	<u><u>5</u></u>

All of the five employees above participated in the Teachers' Pension Scheme. During the period ended 31st August 2014 employer's pension contributions for these staff amounted to £52,875

**13. TANGIBLE FIXED ASSETS**

	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
<b>COST</b>					
Additions	213,633	7,415	-	98,899	319,947
Introduced from L.E.A	<u>9,757,000</u>	<u>205,557</u>	<u>11,588</u>	<u>350,909</u>	<u>10,325,054</u>
At 31st August 2014	<u>9,970,633</u>	<u>212,972</u>	<u>11,588</u>	<u>449,808</u>	<u>10,645,001</u>
 <b>DEPRECIATION</b>					
Charge for year	<u>184,348</u>	<u>103,071</u>	<u>4,617</u>	<u>273,423</u>	<u>565,459</u>
 <b>NET BOOK VALUE</b>					
At 31st August 2014	<u><u>9,786,285</u></u>	<u><u>109,901</u></u>	<u><u>6,971</u></u>	<u><u>176,385</u></u>	<u><u>10,079,542</u></u>

**14. STOCKS**

	£
Stocks	<u><u>4,472</u></u>

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade debtors	26,471
VAT Recoverable	60,992
Prepayments and accrued income	<u>88,342</u>
	<u>175,805</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade creditors	37,183
Other creditors	80,000
Accruals and deferred income	<u>129,533</u>
	<u>246,716</u>

**17. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Other operating leases £
Expiring:	
Within one year	2,157
Between one and five years	<u>11,209</u>
	<u>13,366</u>

**18. 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.



**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**19. MOVEMENT IN FUNDS**

	Net movement in funds £	Transfers between funds £	At 31.8.14 £
<b>Unrestricted funds</b>			
General fund	904,290	(450,000)	454,290
Designated fund	-	450,000	450,000
	<u>904,290</u>	<u>-</u>	<u>904,290</u>
<b>Restricted funds</b>			
School fund	89,330	-	89,330
Pension	(1,016,000)	-	(1,016,000)
	<u>(926,670)</u>	<u>-</u>	<u>(926,670)</u>
<b>Endowment funds</b>			
Restricted fixed assets	9,936,961	-	9,936,961
	<u>9,936,961</u>	<u>-</u>	<u>9,936,961</u>
<b>TOTAL FUNDS</b>	<u>9,914,581</u>	<u>-</u>	<u>9,914,581</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,196,204	(291,914)	-	904,290
<b>Restricted funds</b>				
School fund	268,873	(179,543)	-	89,330
GAG/EFA funds	6,748,576	(6,748,576)	-	-
Pension	-	-	(1,016,000)	(1,016,000)
	<u>7,017,449</u>	<u>(6,928,119)</u>	<u>(1,016,000)</u>	<u>(926,670)</u>
<b>Endowment funds</b>				
Restricted fixed assets	10,502,420	(565,459)	-	9,936,961
	<u>10,502,420</u>	<u>(565,459)</u>	<u>-</u>	<u>9,936,961</u>
<b>TOTAL FUNDS</b>	<u>18,716,073</u>	<u>(7,785,492)</u>	<u>(1,016,000)</u>	<u>9,914,581</u>

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**19. MOVEMENT IN FUNDS - continued**

Under the Financial 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 the period end.

**Unrestricted funds**

Unrestricted funds are generated from additional activities carried on by the Academy, over and above the Government Grant funding. The main ongoing element of this relates to letting of facilities and school dinners. The costs of such activities are set off against the income within the unrestricted fund column on the Statement of Financial Activities

The general fund balance at the period end represents free funds held as a contingency for future costs which are not otherwise funded by new income. This is described more fully in the Governors' Report. Some of the unrestricted funds carried forward have been designated for specific purposes, as outlined below.

**Unrestricted designated funds**

Designated funds are those that have been ring-fenced by Governors for future commitments or anticipated costs. These do not have an externally imposed restriction and may be un-designated or amended at the discretion of the Governors.

The balance of £450,000 is made up as follows; New National Curriculum Developments £200,000 and Falling rolls and associated staff adjustments £250,000 (and is explained more fully in the Governor's Report).

**Restricted funds**

The General Annual Grant and other Grants are shown as restricted movements during the period since they relate specifically to educational provision outlined in the respective funding agreements. All amounts awarded have been spent in full during the period.

The pension reserve balance represents the liability on the Balance Sheet in respect of under-funded defined benefit pension scheme (in common with many other Academies, as per the Actuarial assumptions made) as described in the Accounting policies.

The School funds are those monies collected from and / or on behalf of pupil events and activities and ring-fenced as such.

The fixed asset funds balance represents the net book value of fixed assets which have been funded by restricted funding, or otherwise have restrictions attached to them and their future use. Depreciation on restricted assets is charged directly to this fund. Where a restriction is released on an asset, or where an asset is purchased from unrestricted funds a corresponding transfer is made into the unrestricted fund balance.

**20. PENSION AND SIMILAR OBLIGATIONS**

The academy'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 Cheshire West and Chester 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.

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**20. PENSION 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 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

**Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £341,647 of which employer's contributions totalled £266,474 and employees' contributions totalled £75,173. The agreed contribution rate for future years is 20.6%.

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.

**Principal Actuarial Assumptions**

	As at 31st August 2014
Rate of increase in salaries	3.5%
Rate of increase for pensions in payment/inflation	2.7%
Discount rate for scheme liabilities	3.7%
Inflation assumption (CPI)	1.25%
Commutation of pensions to lump sums	50.75%

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

	As at 31 <sup>st</sup> August 2014
Retiring today :	
Males	22.3
Females	24.4
Retiring in 20 years:	
Males	24.1
Females	26.7

As described above the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

	Expected return as at 31st August 2014 %	Fair Value as at 31st August 2014 £000
Equities	6.3%	748
Bonds	2.9%	262
Property	4.5%	87
Cash	3.3%	150
<b>Total market value of assets</b>		<b>1,247</b>
Present value of scheme liabilities		(2,263)
<b>Surplus/(deficit) in the scheme</b>		<b>(1,016)</b>

The actual return on scheme assets for the period since 1st July 2013 was £458,000.

**Amounts recognised in the statement of financial activities**

	2014(£000)
Current service cost (net of employee contributions)	178
Past service cost	-
<b>Total operating charge</b>	<b>178</b>

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

Local government pension scheme

Analysis of pension finance income / (costs)

	2014 (£000)
Expected return on pension scheme assets	59
Interest on pension liabilities	(85)
<b>Pension finance income / (costs)</b>	<b>(26)</b>

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

	2014 (£000)
<b>At 1st July</b>	1,360
Current service cost	178
Interest cost	85
Employee contributions	64
Actuarial (gain)/loss	576
Benefits paid	-
Past Service cost	-
Curtailments and settlements	-
<b>At 31 August</b>	<b>2,263</b>

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

	2014 (£000)
<b>At 1st July</b>	802
Expected return on assets	59
Actuarial gain/(loss)	84
Employer contributions	238
Employee contributions	64
Benefits paid	-
Business combinations	-
<b>At 31 August</b>	<b>1,247</b>

The loss on pension scheme shown for the year end of £1,016,000 combines the balance introduced and the movement during the year, since the basis of valuation was changed in the interim, rendering the 'movement in the year' figure meaningless

**21. RELATED PARTY DISCLOSURES**

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

During the period ended 31st August 2014 staff costs were recharged to cluster schools.

Four of the schools recharged have governors who are also either governors or senior staff members of Birchwood Community Academy Trust (names shown below).

The total recharges to these schools in the period was as follows:

Birchwood C of E	(R Grimmer)	£12,275
Cinnamon Brow Primary School	(T Lynskey)	£12,275
Gorse Covert Primary School	(S Burns)	£12,275
Locking Stumps Primary School	(C Burrows, J Evans, R Agnew, J Roscow)	£12,275

**BIRCHWOOD COMMUNITY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE PERIOD 4TH MARCH 2013 TO 31ST AUGUST 2014**

**22. CONVERSION TO ACADEMY TRUST**

On 1st July 2013 the Birchwood Community High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Birchwood Community High school from Warrington Borough Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income 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 analysis of their recognition in the SOFA (see note 1)

	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets Fund	Total
	£	£	£	£
Tangible fixed assets				
- Land and buildings			9,757,000	9,757,000
- Other tangible fixed assets			568,054	568,054
Other assets				
- Schools funds brought in	207,425	112,147		319,572
- Other funds brought in	564,385			564,385
LGPS pension surplus (deficit)		(1,016,000)		(1,016,000)
	771,810	(903,853)	10,325,054	10,193,011