

**Bishop Rawstone Church of England Academy Trust
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

For the year ended 31st August 2015

**Company Registration Number:
07672781 (England and Wales)**

Bishop Rawstorne Church of England Academy Trust

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Bishop Rawstorne Church of England Academy Trust

Reference and administrative details

Members	Mrs K Cooper Mrs S Cooper Mr J P Cowley Mr A Marston Mr P Phythian (appointed 7 th November 2014) Mr D Taylor Mr R Websdell Blackburn Diocesan Board of Education
Trustees	The Reverend A J Brown (appointed 12 th December 2014) Mrs K Cooper Mrs S Cooper Mrs T Cowell (appointed 1 st September 2014) Mr J P Cowley Mrs C Dale Mrs S Dixon Mrs W Gibbons Mrs E Gregory (retired 31 st August 2015) Mr S Gregson Mrs A Haines Mrs R Howard Mr A Lancelotte (retired 31 st August 2015) Mr P Liston-Smith Mr A Marston Dr B McGucken Mr P Phythian (appointed 7 th November 2014) Rev D Reynolds (retired 21 st October 2014) Mrs J Rigby Mr D Taylor Mr J Towriess (retired 19 th November 2014) Mrs J Ward Mr R Websdell
Secretary	Mrs L Hood
Senior Management Team	Mr P Almond Mr J P Cowley Mrs B Harrison (retired 30 th April 2015) Mrs L Hood Mrs C Lane (resigned 30 th June 2015) Mr P Rawlinson
Registered Office	Highfield Road Croston Leyland PR26 9HH

Bishop Rawstorne Church of England Academy Trust

Reference and administrative details (continued)

Company Registration Number	07672781
Auditors	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW
Bankers	Lloyds Bank PLC Church Street Blackburn BB2 1JQ
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Surveyors	Arcadis 3 Piccadilly Place Manchester M1 3BN

Bishop Rawstorne Church of England Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2014 to the 31st August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for students aged 11 to 16 serving a catchment area which includes the five foundation parishes of Bretherton, Croston, Eccleston, Mawdesley with Bispham and Wrightington with Heskin and the named parishes of Appley Bridge, Banks, Douglas in Parbold, Hesketh with Beconsall, Hoole, Leyland St James, Rufford and Tarleton. Students are also drawn from outer parishes depending on the number of applications received. It has a student capacity of 930 and had a roll of 909 in the January 2015 school census.

1. Structure, Governance and Management

1.1 Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of Bishop Rawstorne Church of England Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bishop Rawstorne Church of England Academy.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

1.2 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.

Members of the charitable company are nominated by the trustees. In total the Academy has eight Members. The Articles of Association require the Members of the charitable company to appoint at least four trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

1.3 Trustees' Indemnities

Since the incorporation of the charitable company, the trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 11 to the Financial Statements the limit of this indemnity is £2,000,000.

1.4 Method of Recruitment and Appointment or Election of Trustees

The Members appoint a minimum of eleven trustees of whom:

- I. A minimum of three are appointed by the Diocesan Board of Education;
- II. A minimum of seven are nominated by the Parochial Church Councils; and
- III. The Incumbent shall be a Trustee Ex-Officio.

The proportions of the Governing Body of Bishop Rawstorne C of E Academy are as follows:

- Three Staff Trustees, appointed by the Members through such a process as they may determine. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Staff Trustees.
- One Local Authority (LA) Trustee, appointed by the LA.

Trustees' Report (continued)

- Three Parent Trustees, elected by parents of registered students at the Academy. A Parent Trustee must be a parent of a student at the Academy at the time when he is elected. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Parent Trustees. Any election of Parent Trustees which is contested shall be held by secret ballot. Arrangements for the election shall provide, for every person entitled to vote, an opportunity by post or, if they prefer, by having his ballot paper returned to the Academy Trust by a registered student at the Academy.
- The Headteacher, treated for all purposes as an Ex Officio Trustee. If the Headteacher chooses not to be a trustee, the position remains vacant.
- One Sponsor Trustee, appointed by the Members.
- One Community Trustee, appointed by the Members.
- Eleven Foundation Trustees, appointed by the Parochial Church Councils of Eccleston, Croston, Wrightington, Bretherton and Mawdesley.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees.

As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual. All trustees receive copies of all minutes and new trustees are invited to all main sub-committee meetings. A named trustee has responsibility for training and trustees are encouraged to access training courses provided by the LA. The Governing Body has a Service Level Agreement with the Lancashire County Council's Governor Services Department. This Agreement allows for any or all of the members of the Governing Body to attend any of the training courses provide by Lancashire County Council. Bespoke courses are provided in house.

1.6 Organisational Structure

The trustees' core responsibilities are to set and agree strategy with the Headteacher, to hold the Headteacher to account for the delivery of that strategy and educational outcomes and to supervise and monitor the financial performance of the Academy ensuring probity and good value for money. The Academy's senior leadership team comprises the Headteacher, the Deputy Headteacher, three Assistant Heads and the Business and Finance Manager. The Headteacher takes the role of Accounting Officer for the trust.

The senior leadership team controls the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the senior leadership team is responsible for the authorisation of spending within agreed budget limits and the appointment of staff. Some spending control is devolved to departmental budget holders, with limits above which a member of the senior leadership team must countersign.

1.7 Related Parties and Other Connected Charities and Organisations

Connected to the Academy is an entity called Bishop Rawstone Church of England International Language College Trust, a charity registered with the Charity Commission whose charity number is 1063725. The objects of this Charity are to assist the furtherance and advancement of the education of the students who attend Bishop Rawstone Church of England Academy.

2. Objectives and Activities

2.1 Objects and Aims

'Aspire Believe Achieve'

Unlike other Church of England schools, Bishop Rawstone is truly a community school with the vast majority of our students being drawn from the main foundation parishes.

Trustees' Report (continued)

It remains our challenge to ensure that the care and support we provide to our students, our nurturing yet challenging environment and the outstanding academic attainment achieved year-on-year continues, to make Bishop Rawstorne the school of choice for parents.

Bishop Rawstorne is committed to developing its students as confident, aspiring and well-rounded young adults fully prepared to make a significant contribution to society.

2.2 Objectives, Strategies and Activities

As a 'converter academy' we exist to advance education in the Chorley area in the county of Lancashire in the Diocese of Blackburn. Our school was the vision of Bishop Rawstorne and we first opened our doors in 1960.

Our initial objective was to ensure a smooth and seamless conversion of the school from foundation to academy status. In doing this the Governing Body determined to maintain the traditional ethos, values, standards and achievements of the school, whilst continuing to work to fulfil the school's medium and longer term development plans.

The aims of the Academy are to provide outstanding education for all in an outstanding Christian Academy.

The main principles being:

- Ensuring staff consistently deliver outstanding Teaching and Learning opportunities.
- Preparing our young people to be outstanding citizens of tomorrow.
- Inspire and motivate staff and students to give the best of themselves.
- To be at the heart of national strategies.
- Further develop our National Teaching School and National Support School status to support, encourage and raise attainment in other schools.
- Continue to develop a curriculum fit for purpose, exciting and motivating to enable our young people to be excited by life-long learning.
- Display self-discipline.
- Foster good behaviour.
- Have pride in ourselves and in our school.
- Embrace new opportunities for students and staff.
- To fully develop the social, moral, spiritual and cultural development of all our young people.

Development Plan, objectives for the academic year 2015/2016:

- Priority one: Closing the gap – intervention and assessment
- Priority two: Stretch and challenge – AGT and Pupil Premium, extra-curricular and enrichment
- Priority three: Student development – The Heads of Year Team meeting the needs of all students
- Priority four: CPD and leadership development

Community:

- To further develop our links with schools/business in the local area and globally, fostering a culture of joint collaboration.
- Encourage further usage of facilities by the community.

Bishop Rawstorne Church of England Academy Trust

Trustees' Report (continued)

Accommodation and resources for learning:

- To continually look at building projects and requirements.
- To continue to look at new funding streams for further development of the site.
- To upgrade the toilet facilities throughout the whole site.

2.3 Public Benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Bishop Rawstorne Church of England Academy is the maintenance and development of the high quality Christian education provided by the Academy.

In doing this Bishop Rawstorne Church of England Academy not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities, educational trips, visits and foreign trips are offered and undertaken.

Strategic report

3. Achievements and Performance

- Overall standards continue to remain high. A*-C including English and Maths increased to 88%. Our English Baccalaureate (EBacc) score increased to 55%.
- Standards in the core subjects are high.
- Standards and achievement are high in a number of GCSE option subjects and this is a strength of the school.

To ensure that standards are continually raised, the Academy operates a programme of observation of lessons, is visited by inspectors and undertakes a comparison of results from entry through to Key Stage 3 and GCSE to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

3.1 Key Performance Indicators

The Academy monitors its performance on examination results achieved and Ofsted reports received. It complies with all the terms and conditions of its Funding Agreement with the EFA and manages its reserves in line with the policies set out below.

3.2 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 (note 1).

4. Financial Review

4.1 Operating and Financial Review

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objectives of the Academy Trust. The GAG received during the year covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Bishop Rawstone Church of England Academy Trust

Trustees' Report (continued)

On conversion to academy on the 17th August 2011, all of the fixed assets of the former voluntary aided school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in note 1 to the Financial Statements.

The Academy was awarded a Capital Grant of £122,351 by the DfE from the Academies Capital Maintenance Fund (ACMF) 2014/2015 Round 1 for the replacement of windows. Only part of this grant had been received at the 31st August 2014 by the Academy. Work on this project commenced in the year ended 31st August 2014 and was completed in the year ended 31st August 2015. In accordance with the Charities SORP 2005, the Capital Grant received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

In 2014/15, the Academy invested £470,000 in the refurbishment of its Technology facilities. This project was funded partly by assets transferred on conversion to academy and partly by GAG income.

In January 2015, a new minibus was purchased for £27,070 which was funded partly by the sale of the old minibus, a contribution from the governors' fund and from the DfE devolved formula capital funding. In addition the tennis courts were resurfaced at a cost of £30,000.

Expenditure for the year covered by this report was more than covered by the GAG received from the DfE together with other incoming resources. The combined General Restricted Fund and Unrestricted Fund show a cumulative reserve, before the actuarial losses on defined benefit pension schemes, of £704,000. This operating surplus is the result of detailed and accurate budgeting and tight budgetary control procedures which have been firmly embedded in the Academy Trust's daily financial management.

The Academy held revenue fund balances at the 31st August 2015 of £704,000 comprising £338,000 of restricted funds and £366,000 of unrestricted general funds. In addition to this the pension reserve shows a deficit of £739,000. Further details of the carry forward balances on each fund can be found in note 15 to the accounts.

The trustees are concerned by the large deficit that the Local Government Pension Fund is reporting. (See note 25 to the Financial Statements).

4.2 Reserves Policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Under its Funding Agreement with the Secretary of State for Education Bishop Rawstone Church of England Academy has no carried forward restriction on its reserves at the year end.

The trustees' Staffing and Finance Committee has reviewed these reserve levels and believes that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected emergencies such as urgent maintenance. Under normal circumstances the trustees would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion.

As at the 31st August 2015 the Academy had reserves based upon its GAG of 7.4%.

4.3 Investment Policy

Apart from the cash held for the operation of the Academy, Bishop Rawstone Church of England Academy has no material investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. The main current account held by the Academy is an interest bearing account. The Academy also has a 32 day notice account which attracts a higher interest rate. This account is used when cash balances are high.

Trustees' Report (continued)

4.4 Principal Risks and Uncertainties

The principal risk to the Academy is the maintenance of student numbers as funding is directly related to the number of students on roll. However, the Academy is oversubscribed and there has been no reduction in the number of applications received for 15/16 admissions. In addition, the fact that there has been no drop in the birth rate in the local area and that additional housing has been built nearby means that there is unlikely to be a reduction in the number of students on roll for the foreseeable future.

The trustees have assessed the major risks to which the Academy is exposed. The trustees have implemented a number of systems to assess risks in the operational areas of the Academy and in relation to the control of finance. A Risk Register has been completed and is reviewed annually by the Audit Committee.

The Academy is situated in a rural area with relatively low incidents of vandalism or crime. Historically the grounds have not been securely fenced and at present there is no perceived need for this. However procedures are in place to vet and badge visitors and all staff are conscious of the hazards associated with the bus lay-by in the Academy grounds, which is heavily supervised at the appropriate times.

The continuing existence of the Academy can best be guaranteed by the standards of education in its widest sense, which it provides. This is the preferred school for many families who could easily favour another. Anything less than over subscription could signal the beginning of financial and educational problems. Furthermore the status of the Academy as a Teaching School and School Direct training provider could be endangered by many factors such as government policies leaving it with high staffing costs and reduced income.

Where significant financial risk still remains it is ensured there is adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

5. Plans for Future Periods

Bishop Rawstone Church of England Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue to look at the curriculum content to ensure future pathways for students. In particular it will ensure that the English Baccalaureate is available at the heart of our ambitions. The English Baccalaureate was introduced in 2010 and whilst not a qualification in itself, it recognises where students have secured a C grade or better across a core of academic subjects – English, mathematics, history or geography, the sciences and a language.

Bishop Rawstone Church of England Academy aims to continue to drive regional and national strategies as a National Teaching School and School Direct training provider. The Academy continues to work with alliance schools to develop an Initial Teacher Training model which allows us to train the next generation of outstanding teachers. The Academy is focussed to deliver outstanding teaching and learning through ensuring staff are highly trained and determined to deliver outstanding lessons. It continues in its ambition to raise even further, better outcomes for our students in both terminal examinations and levels of progress. It re-emphasises the total commitment of trustees and leaders to ensure all students have full religious education lessons and a rich Christian educational experience.

The trustees recognise that through outstanding financial management over the past five years they have been able to invest in and improve very significantly the quality of the building environment and the upgrading of many areas of the Academy. They have ambitions for this to continue but recognise however, that future plans will be dependent on funding availability. Increases in employers' NI contributions and pension contributions will also have an impact on the funds available for future investments. The trustees also recognise that many classrooms are small and that the intake needs to be at current admission levels unless significant capital funding can be obtained.

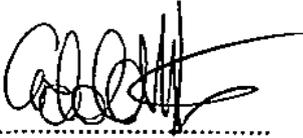
Trustees' Report (continued)

6. Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on08/12/15..... and signed on the board's behalf by:



.....
Mr A Marston
Chair of Trustees

Bishop Rawstone Church of England Academy Trust

7 Governance Statement

7.1 Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Bishop Rawstone Church of England 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.

7.2 Governance

The information on governance included here supplements that described in the Trustee' Report and in the Statement of Trustees' Responsibilities. **The governing body** has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Andrew Marston (Chair)	3	3
Mr Roy Websdell (Vice Chair)	3	3
Mr Paul Cowley (Headteacher)	3	3
Father Andrew Brown	1	2
Mrs Kathleen Cooper	3	3
Mrs Sheila Cooper	2	3
Mrs Teresa Cowell	3	3
Mrs Carol Dale	3	3
Mrs Suzanne Dixon	3	3
Mrs Wendy Gibbons	3	3
Mrs Emma Gregory	2	3
Mr Stephen Gregson	3	3
Mrs Anne Haines	2	3
Mrs Rebecca Howard	3	3
Mr Alan Lancelotte	2	3
Mr Phil Liston-Smith	2	3
Dr Brian McGucken	3	3
Mr Paul Phythian	1	3
Reverend David Reynolds	0	0
Mrs Jean Rigby	2	3
Mr David Taylor	3	3
Mr Jason Towriess	0	0
Mrs Joanne Ward	3	3

Governance Statement (continued)

The Curriculum Committee is a sub-committee of the main governing body. Its purpose is to:

1. Ensure that the curriculum provided meets the statutory requirements, including those for reporting.
2. To review the aims of the school curriculum in relation to the current statutory requirements, including those for Religious Education, Collective Worship and Sex Education.
3. To advise on ways in which governors can be involved in curriculum aspects of the School Development/Improvement Plan for self-evaluation.
4. To prepare or review any curriculum policy document which is the responsibility of the governing body.
5. To make recommendations to the governing body on assessment policies, or arrangements.
6. To consider all the available data provided by the school and the local authority and to set and publish targets within the statutory time frames.
7. To monitor pupil progress in relation to the targets set and with specific reference to particular groups.
8. To monitor the impact of curriculum policies and planning students' learning.
9. To receive reports, as decided by the whole governing body.
10. To be mindful of the requirements of the Disability Discrimination Act.

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Stephen Gregson (Chair)	2	2
Mr Paul Cowley (Headteacher)	2	2
Father Andrew Brown	1	1
Mrs Kathleen Cooper	1	2
Mrs Teresa Cowell	2	2
Mrs Suzanne Dixon	2	2
Mrs Wendy Gibbons	2	2
Mrs Emma Gregory	2	2
Mrs Anne Haines	2	2
Mrs Rebecca Howard	1	1
Mr Phil Liston-Smith	1	2
Mr Andrew Marston	2	2
Dr Brian McGucken	2	2
Mr David Taylor	2	2
Mrs Joanne Ward	1	1
Mr Roy Websdell	2	2

The Community, Land & Buildings Committee is a sub-committee of the main governing body. Its purpose is to:

1. To exercise the delegated responsibility for the condition, repair, extension or alteration of premises.
2. To inspect annually the premises and grounds and prepare a statement of priorities for maintenance and development for the approval of the governing body and trustees.
3. To advise the governing body and trustees on major projects deemed to be necessary or appropriate.
4. To work with relevant partners and consultants to ensure that new buildings and improvements, as agreed with the governing body, are progressed and where appropriate that the payments are made.
5. To act on behalf of the governing body and trustees in monitoring the implementation and progress of all building related plans.

Governance Statement (continued)

6. To monitor the maintenance and upkeep of the school premises and grounds.
7. Where it is the responsibility of the governing body and trustees, to make recommendations on the appointment of consultants or the providers of premises related services.
8. To receive reports from the agents, SLS (Schools Letting Solutions) regarding the advertising and letting of the land and buildings out of school session times.
9. To provide support and guidance to the Headteacher on all matters relating to the school premises and grounds, security and Health and Safety.
10. To ensure that arrangements are in place for the dissemination of Health and Safety information to all buildings users, including staff, pupils and visitors.
11. To review the school's Health and Safety policy as and when required and to advise along with the Headteacher, the governing body and Trustees with regard to its compliance with Health and Safety regulations.
12. To monitor accident reports and fire drills and where appropriate recommend and take advice on remedial action.
13. To ensure the school complies with Health and Safety regulations, including that a regular audit of risk assessment is undertaken and to take action where necessary.
14. To promote co-operation between all employees at the school to achieve and to maintain a safe and healthy workplace for staff and pupils.
15. To examine safety inspection reports and to make recommendations where remedial action is required.
16. To be mindful of the requirements of the Disability Discrimination Act.
17. To review and recommend home-school agreement to the governing body and trustees.
18. To administer the Governors' Fund.

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Roy Websdell (Chair)	3	3
Mr Paul Cowley (Headteacher)	3	3
Father Andrew Brown	1	2
Mrs Kathleen Cooper	1	3
Mrs Teresa Cowell	1	1
Mrs Carol Dale	2	2
Mrs Suzanne Dixon	3	3
Mrs Anne Haines	1	1
Mr Alan Lancelotte	3	3
Mr Phil Liston-Smith	2	3
Mr Andrew Marston	3	3
Mrs Jean Rigby	2	3
Mr David Taylor	2	3
Mr Jason Towriess	0	1

Governance Statement (continued)

The Staffing & Finance Committee is a sub-committee of the main governing body. Its purposes are to:

FINANCE RESPONSIBILITIES

1. To provide guidance and assistance to the Headteacher and the governing body on all financial issues.
2. To recommend to the governing body internal financial regulations on the financial management of the school in accordance with guidance issued by the EFA (Academies Financial Handbook).
3. To consider budget plans presented by the Headteacher and to make recommendations to the governing body for approval.
4. To consider budget monitoring reports relating to all public funds and make recommendations to the governing body.
5. To approve virements between budget headings where the value is in excess of the sum delegated to the Headteacher under the school's internal financial regulations.
6. To consider and make recommendations on all finance policies of the school including those relating to charges, lettings and income.
7. To contribute to the school's development plan including consideration of the longer term resource requirements of the school.
8. To consider the appropriate level of reserves and balances bearing in mind guidance produced by the Secretary of State.
9. To consider the annual audited accounts of all funds prior to presentation to the governing body.
10. To consider audit reports and other relevant reports and make recommendations to the governing body.
11. To consider and advise on any financial matter referred to it by the governing body.
12. To respond on behalf of the trustees and governing body to any consultations.

STAFFING RESPONSIBILITIES

1. To prepare statutory staff policies for approval by the governing body.
2. In conjunction with the Headteacher, to draw up a staffing structure (teaching and non-teaching staff, posts of responsibility etc.) and to review it annually.
3. To ensure that all the procedures relating to the recruitment, selection and appointment of staff are in place and that they are kept under review following any changes in legislation.
4. To ensure all procedures for the appointment of new teaching staff (except Headteacher or Deputy Headteacher) and key support staff, are carried out in accordance with agreed arrangements (*the governing body will need to determine this in relation to the number and scale of appointments made and the size of the committee*).
5. To delegate to the Headteacher all provision of supply cover.
6. To delegate to the Headteacher the appointment of all other support staff.
7. To ensure that consultation is carried out as required (e.g. over pay policy) with all staff or with recognised trade unions.
8. To ensure that appropriate job descriptions are in place.
9. To check that the arrangements for staff appraisal (performance management) are in place and being developed.
10. To monitor the programme of staff development and training and ensure it meets the needs of the school development/improvement plan and of the staff.
11. To receive regular reports on staff absence, if not already reported to the full governing body.
12. Review annually the unit total of the school and the effect, if any, on the Individual School Range (ISR).

Bishop Rawstone Church of England Academy Trust

Governance Statement (continued)

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mrs Sheila Cooper (Chair)	3	3
Mr Paul Cowley (Headteacher)	3	3
Father Andrew Brown	1	1
Mrs Kathleen Cooper	3	3
Mrs Teresa Cowell	3	3
Mrs Carol Dale	1	1
Mrs Wendy Gibbons	3	3
Mr Stephen Gregson	2	3
Mrs Anne Haines	1	1
Mrs Rebecca Howard	1	3
Mr Phil Liston-Smith	0	3
Mr Andrew Marston	3	3
Mr Paul Phythian	1	1
Mrs Joanne Ward	3	3
Mr Roy Websdell	3	3

The Audit & Risk Management Committee is a sub-committee of the main governing body. Its purpose is to:

1. To review the body's internal and external financial statements and reports to ensure that they reflect best practice.
2. To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of the staff.
3. To consider any external audit report, including reports on the body's accounts, achievement of value for money and the response to any management letters.
4. To review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
5. To ensure that the body's internal audit service meets, or exceeds, the standards specified in the Government Internal Audit Manual, complies in all other respects with these guidelines and meets agreed levels of service.
6. To consider and advise the board on the body's annual and long-term audit programme.
7. To consider internal audit reports, including value-for-money reports and the arrangement for their implementation.
8. To ensure the school complies with Health and Safety regulations, including that a regular audit of risk assessment is undertaken and to take action where necessary.
9. To review the operation of the body's code of practice for board members and code of conduct for staff.
10. To consider any other matters where requested to do so by the board.
11. To report at least once a year to the board on the discharge of the above duties.

Governance Statement (continued)

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Paul Phythian (Chair)	2	2
Father Andrew Brown	1	2
Mrs Kathleen Cooper	1	1
Mrs Teresa Cowell	0	1
Mrs Carol Dale	3	3
Mrs Anne Haines	1	1
Mr Alan Lancelotte	1	3
Mr Andrew Marston	2	2
Mr David Taylor	1	1
Mr Roy Websdell	3	3

The Teaching School Committee is a sub-committee of the main governing body. Its purpose is to:

1. Ensure that the Teaching School provision meets the statutory requirements, including those for reporting as set out by the National College for Teaching and Learning, NCTL.
2. To review the aims of the Teaching School in relation to the NCTL requirements and report to the governing body on progress against Key Performance Indicators.
3. To monitor the successful delivery of the Teaching School remit in line with the Teaching School Action Plan measured against the National College Key Performance Indicators. Focus for development will be on the National College's "Big Six":
 - Initial Teacher Training
 - CPD and Leadership Development
 - Succession planning and talent management
 - School-to-school support
 - Specialist Leaders of Education
 - Research and Development
4. To advise on ways in which governors can be involved in Teaching School aspects of the School Development/ Plan for self-evaluation.
5. To prepare or review any Teaching School policy document which is the responsibility of the governing body.
6. To make recommendations to the governing body on designation, de-designation, re-designation, annual review or Teaching School Action Planning arrangements.
7. To consider all the available data provided by the school and its Teaching School alliance and to set and publish targets within the NCTL-specified time frames.
8. To monitor the impact of Teaching School status upon pupil progress in relation to the targets set and with specific reference to particular groups.
9. To monitor the impact of Teaching School strategic delivery on students' learning.
10. To receive reports, as decided by the whole governing body.
11. To be mindful of the requirements of the Disability Discrimination Act.

Bishop Rawstone Church of England Academy Trust

Governance Statement (continued)

Attendance at meetings in the year was as follows:

NAME OF GOVERNOR	NUMBER OF MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Andrew Marston (Chair)	1	1
Mr Paul Cowley (Headteacher)	0	1
Mrs Sheila Cooper	1	1
Mrs Suzanne Dixon	1	1
Mr Stephen Gregson	1	1
Mr Paul Phythian	1	1
Mrs Joanne Ward	1	1
Mr Roy Websdell	1	1

7.3 Review of Value for Money

As Accounting Officer, the Headteacher 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 year by:

PRINCIPLES OF BEST VALUE

The governing body applies the principles of best value:

- Challenge** - regularly reviewing the functions of the Academy, challenging how and why services are provided and setting targets and performance indicators for improvement. Challenging proposals and examining them for effectiveness, efficiency and cost.
- Compare** - monitoring outcomes and comparing performance with similar academies
- Consult** - consulting appropriate stakeholders especially students and parents, about the services which the Academy provides
- Compete** - securing competition to ensure that goods and services are purchased in the most economic, efficient and effective manner to meet the needs of the Academy.

APPLICATION OF BEST VALUE PRINCIPLES

Examples of current academy practices which demonstrate the application of Best Value principles and any planned developments in academy policy and practices to enhance Best Value within the Academy are identified in this statement.

Improving educational results:

We have ensured that resources are directed to where they are most needed and most effective in improving outcomes for all students for example by:

Governance Statement (continued)

- Targeting resources in key areas such as literacy, numeracy and phonics
- Targeting support where it is most needed, for example Pupil Premium and SEN students
- Appointing a senior leader with specific responsibility for intervention
- Focusing on the needs of particular students and ensuring that the support they receive is relevant to them. For example, we identified the need for greater parental engagement and have allocated a Teaching and Learning Responsibility (TLR) with the aim of increasing parents involvement in their child's education, particularly for the 'hard to reach' students.
- Implementing a staff performance management system which ensures staff consistently deliver outstanding Teaching and Learning opportunities
- Introducing a mentoring system for GCSE students
- Further developing our National Teaching School status to support, encourage and raise attainment in other schools and to share good practice. The Academy now has 14 Specialist Leaders of Education (SLEs), a National Leader of Education (NLE) and a National Leader of Governance (NLG).
- developing our status as a School Direct provider of Initial Teacher Training (ITT) and working with our alliance schools and HEI partners to develop an ITT model so that we can train the next generation of outstanding teachers.
- updating our ICT provision by investing in banks of new PCs, a new ICT suite and whiteboards so our students can benefit from the latest technology.
- committing to the growth of Design Technology by investing £470,000 in the refurbishment of the technology block enabling us to adequately prepare our students for the cutting edge world of technology and engaging them in a future of innovation and creativity.

The effectiveness of these strategies is monitored and evidenced in the English Baccalaureate score increasing to 55%, our 5 A*-C including English and Maths increasing to 88%, and outstanding progress figures with 94% and 89% respectively of our students making at least 3 levels of progress across KS2-KS4 in English and Maths.

Financial and governance oversight:

The governing body receives regular monitoring reports and is active in its role of challenging robustly. Governors are invited to challenge decisions and ask relevant questions. The work of the Governing Body is further informed by quarterly Responsible Officer Reports from CWR Chartered Accountants.

Better purchasing:

Examples of steps taken to ensure value for money during the procurement process include:

- Reviewing all contracts annually
- Adopting a formal tendering process for major purchases of supplies and services
- Requesting references from other schools when contracting with a new supplier

Income generation:

Income generation potential is maximised by:

- working in partnership with a lettings company to market and manage lettings
- effective marketing and promotion of our new 3G all-weather pitch which is available to the local community to let which will provide a long term income stream to the Academy
- using our Teaching School status to deploy our SLEs, NLE and NLG to support other schools
- recruiting trainee teachers to our School Direct programme.

Governance Statement (continued)

Reviewing controls and managing risks:

An audit and risk committee has been established to regularly review controls and risks to the Academy. Regular budget monitoring reports are issued to budget holders, the Senior Leadership Team and governing body.

Actions taken to manage risk include:

- obtaining an appropriate level of insurance cover acquired through a competitive tendering process.
- professional expertise is sought for specialist advice where needed

Future Objectives:

- To maintain staffing levels at a maximum of 80% of income
- To introduce further efficiency savings to minimise the effect of increased staffing costs
- To review the Best Value statement at each Autumn Term meeting

7.4 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 the 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 Bishop Rawstorne Church of England Academy Trust for the period from the 1st September 2014 to the 31st August 2015 and up to the date of approval of the annual report and financial statements.

7.5 Capacity to Handle Risk

The Board of Trustees have 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 from the 1st September 2014 to the 31st 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.

7.6 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 trustees;
- regular reviews by the Staffing and Finance 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, and;
- identification and management of risks.

Governance Statement (continued)

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed CWR Chartered Accountants, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the trustees, through the Audit and Risk Management Committee on the operation of the systems of control and on the discharge of the trustees financial responsibilities.

In particular the checks carried out in the current period included:

- general observations
- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of accounting systems including control account / bank reconciliations

The RO function has been fully delivered in line with the EFA's requirements and no material control issues arose as a result of the RO's work.

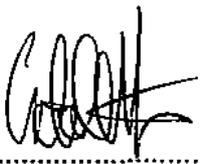
7.7 Review of Effectiveness

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

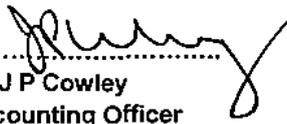
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 08/12/15 and signed on its behalf by:



.....
Mr A Marston
Chair of Trustees



.....
Mr J P Cowley
Accounting Officer

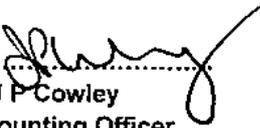
Bishop Rawstorne Church of England Academy Trust

8. Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bishop Rawstorne Church of England Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) 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.


.....
Mr J P Cowley
Accounting Officer

Date:08/12/15.....

9. Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 judgements and 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 operation.

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

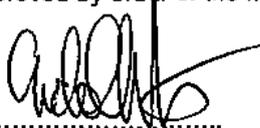
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

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

Approved by order of the members of the Board of Trustees on 08/12/15 and signed on its behalf
by:



.....
Mr A Marston
Chair of Trustees

Bishop Rawstone Church of England Academy Trust

Independent Auditor's Report to the Members of Bishop Rawstone Church of England Academy Trust

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

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

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

(Continued)

Bishop Rawstorne Church of England Academy Trust

**Independent Auditor's Report to the Members of Bishop Rawstorne Church of England Academy Trust
(continued)**

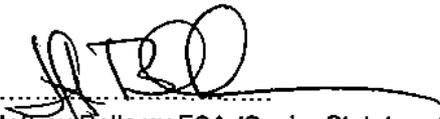
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 14 / 12 / 2015.....

Bishop Rawstone Church of England Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Bishop Rawstone Church of England Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 1st September 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 Bishop Rawstone Church of England Academy Trust during the year 1st September 2014 to the 31st 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 Bishop Rawstone Church of England Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishop Rawstone Church of England Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bishop Rawstone Church of England Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bishop Rawstone Church of England Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Bishop Rawstone Church of England Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from the 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from the 1st September 2014 to the 31st August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

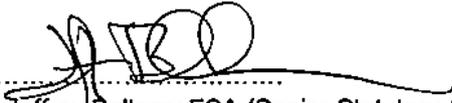
- Obtaining evidence including those tests relevant to the circumstances of the academy as prescribed in Section 9.4 of the Academies Accounts Direction 2014 to 2015 issued by the EFA in June 2015; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(continued)

Independent Reporting Accountant's Assurance Report on Regularity to Bishop Rawstone Church of England 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 year from the 1st September 2014 to the 31st August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date:14/12/2015.....

Bishop Rawstorne Church of England Academy Trust

**Statement of Financial Activities for the year ended 31st August 2015
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	281	17	298	278
Activities for generating funds	3	265	-	-	265	452
Investment income	4	2	-	-	2	2
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	4,325	92	4,417	5,180
Total incoming resources		267	4,606	109	4,982	5,912
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	281	-	281	275
Costs of activities for generating funds		170	-	-	170	381
<i>Charitable activities:</i>						
Academy's educational operations	7	191	4,559	113	4,863	4,467
Governance costs	8	-	13	-	13	12
Total resources expended	6	361	4,853	113	5,327	5,135
Net (outgoing)/incoming resources before transfers		(94)	(247)	(4)	(345)	777
Gross transfers between funds	15	(7)	66	(59)	-	-
Net (expenditure)/income for the year		(101)	(181)	(63)	(345)	777
Other recognised gains and losses						
Actuarial (losses) on defined benefit pension schemes	15, 25	-	(49)	-	(49)	(113)
Net movement in funds		(101)	(230)	(63)	(394)	664
Reconciliation of funds						
Funds brought forward at 1 st September 2014	15	467	(171)	12,182	12,478	11,814
Funds carried forward at 31st August 2015		366	(401)	12,119	12,084	12,478

All of the Academy's activities derive from continuing operations during the above two financial periods.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Bishop Rawstorne Church of England Academy Trust

Balance sheet as at 31st August 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	12		12,119		12,180
Current assets					
Debtors	13	164		226	
Cash at bank and in hand		1,180		1,127	
		<u>1,344</u>		<u>1,353</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(640)</u>		<u>(389)</u>	
Net current assets			<u>704</u>		<u>964</u>
Total assets less current liabilities			<u>12,823</u>		<u>13,144</u>
Net assets excluding pension liability					
Pension scheme liability	25		(739)		(666)
Net assets including pension liability			<u>12,084</u>		<u>12,478</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	15	12,119		12,182	
General fund(s)	15	338		495	
Pension reserve	15	<u>(739)</u>		<u>(666)</u>	
Total restricted funds			11,718		12,011
Unrestricted income funds					
General fund(s)	15	<u>366</u>		<u>467</u>	
Total unrestricted funds			366		467
Total funds			<u>12,084</u>		<u>12,478</u>

The financial statements on pages 27 to 48 were approved by the trustees, and authorised for issue on 08/12/15 and are signed on their behalf by:



Mr A Marston
Chair of Trustees

Company Limited by Guarantee
Registration Number 07672781

Bishop Rawstorne Church of England Academy Trust

Cash Flow Statement for the year ended 31st August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	19	(6)	256
Returns on investments and servicing of finance	20	2	2
Capital expenditure	21	57	(316)
Increase/(decrease) in cash in the year	22	<u>53</u>	<u>(58)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 st September 2014		1,127	1,185
Net funds at 31st August 2015		<u>1,180</u>	<u>1,127</u>

Notes to the Financial Statements for the year ended 31st August 2015

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by 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.

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

Incoming Resources

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

- **Grants receivable**

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

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

- **Donations**

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

- **Other income**

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

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

1 Accounting Policies (continued)

- **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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's accounting policies.

Resources Expended

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

- **Costs of generating funds**

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's educational operations.

- **Governance costs**

These include the costs attributable to the Academy'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.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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's depreciation policy.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

The buildings occupied by the Academy, and the land on which the buildings are situated are the subject of a deed from the Board of Education of the Diocese of Blackburn, which grants the Academy the use of the land and buildings until the earlier of the termination of the funding agreement or the Board giving the school two years notice to leave. The trustees are not aware of the likelihood of either of these circumstances arising in the foreseeable future and as the Academy is also responsible for meeting the costs of repairs, the trustees believe that the substance of the arrangement is that the Academy has substantially the risks and rewards of ownership. The remainder of the land is leased to the Academy under a 125 year lease from the Local Authority.

No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on the 2011 insurance valuation. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

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:

Long leasehold buildings	Over 125 years straight line
Fixtures, fittings and equipment	33% straight line
ICT equipment	33% straight line
Motor Vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the statement of financial activities on a straight line basis over the period of the lease.

Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

1 Accounting Policies (continued)

Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 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 25, the TPS is a multi-employer scheme and the Academy 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 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.

Fund Accounting

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

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

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

Agency Arrangements

The Academy Trust acts as an agent in distributing funds from the National College of Teaching and Leadership. Payments received from the National College of Teaching and Leadership and subsequent disbursements are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

Bishop Rawstone Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Trips and other non public funds	-	281	281	275
Other donations	-	17	17	3
	<u>-</u>	<u>298</u>	<u>298</u>	<u>278</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	36	-	36	28
Catering income	31	-	31	11
Sale of educational goods and services	13	-	13	11
Supplies of staff	87	-	87	174
Schools Direct income	69	-	69	223
SCITT income	29	-	29	-
Insurance claim income	-	-	-	5
	<u>265</u>	<u>-</u>	<u>265</u>	<u>452</u>

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Short term deposits	2	-	2	2
	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,184	4,184	4,242
Capital grants	-	90	90	766
Other DfE/EFA grants	-	78	78	84
	<u>-</u>	<u>4,352</u>	<u>4,352</u>	<u>5,092</u>
Other Government grants				
Local authority grants	-	23	23	27
Other government grants	-	42	42	61
	<u>-</u>	<u>65</u>	<u>65</u>	<u>88</u>
	<u>-</u>	<u>4,417</u>	<u>4,417</u>	<u>5,180</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2015 £000	Total 2014 £000
		Premises £000	Other Costs £000		
Costs of generating voluntary income	-	-	281	281	275
Costs of activities for generating funds	118	1	51	170	381
Academy's educational operations					
Direct costs	2,958	90	441	3,489	3,447
Allocated support costs	404	869	101	1,374	1,020
	<u>3,480</u>	<u>960</u>	<u>874</u>	<u>5,314</u>	<u>5,123</u>
Governance costs including allocated support costs	2	-	11	13	12
	<u>3,482</u>	<u>960</u>	<u>885</u>	<u>5,327</u>	<u>5,135</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1).

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

6 Resources Expended (continued)

	2015 £000	2014 £000
Net expenditure for the year includes:		
Operating leases		
Plant and machinery	27	14
Other leases	-	-
Fees payable to auditor for:		
Audit	3	3
Other services	7	7
	<u>37</u>	<u>24</u>

No transactions have taken place under Section 3.1.8 and 3.1.9 of the 2014 Academies Financial Handbook which require additional disclosure.

7 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Direct costs – educational operations				
Teaching and educational support staff costs	-	2,958	2,958	2,982
Depreciation	-	90	90	110
Educational supplies	-	352	352	279
Examination fees	-	69	69	61
Staff development	-	20	20	15
	<u>-</u>	<u>3,489</u>	<u>3,489</u>	<u>3,447</u>
Support costs – educational operations				
Support staff costs	-	404	404	406
Depreciation	-	23	23	28
Recruitment and support	-	17	17	10
Maintenance of premises and equipment	191	456	647	246
Cleaning	-	95	95	100
Rent and rates	-	60	60	62
Energy costs	-	46	46	61
Insurance	-	33	33	33
Security and transport	-	5	5	8
Catering	-	10	10	9
Other support costs including Service Level Agreements and other professional fees	-	34	34	57
	<u>191</u>	<u>1,183</u>	<u>1,374</u>	<u>1,020</u>
Total direct and support costs	<u>191</u>	<u>4,672</u>	<u>4,863</u>	<u>4,467</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	1	1	1
Auditor's remuneration				
• Audit of financial statements	-	3	3	3
• Accountancy, taxation and other services	-	7	7	7
Support staff costs:				
Clerk to the governors	-	2	2	1
	<u>-</u>	<u>13</u>	<u>13</u>	<u>12</u>

9 Staff

(a) Staff costs

	2015 £000	2014 £000
Staff costs during the period were:		
Wages and salaries	2,769	2,853
Social security costs	210	219
Operating costs of defined benefit pension schemes	417	419
	<u>3,396</u>	<u>3,491</u>
Supply staff costs	52	50
Staff restructuring costs	34	30
	<u>3,482</u>	<u>3,571</u>

(b) Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £34,000 (2014: £30,000). Individually, the payments were for £15,000, £12,000 and £7,000.

(c) Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows:

	2015 Number	2015 Full-time equivalent	2014 Number	2014 Full-time equivalent
Charitable Activities				
Teachers	52	50	57	55
Administration and support	34	22	32	22
Management	6	6	7	7
	<u>92</u>	<u>78</u>	<u>96</u>	<u>84</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

9 Staff (continued)

(d) Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	2	2

Both of the above employees participated in the Teacher's Pension Scheme.

10 Related Party Transactions - Trustees' Remuneration and Expenses

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

J P Cowley (Headteacher and trustee, appointed 23rd March 2014):

Remuneration	£80,000 - £85,000 (2014: £35,000 - £40,000)
Employers' pension contributions	£10,000 - £15,000 (2014: £5,000 - £10,000)

C Dale (staff trustee):

Remuneration	£10,000 - £15,000 (2014: £10,000 - £15,000)
Employers' pension contributions	£nil - £5,000 (2014: £nil - £5,000)

W Gibbons (staff trustee):

Remuneration	£10,000 - £15,000 (2014: £15,000 - £20,000)
Employers' pension contributions	£nil - £5,000 (2014: £nil - £5,000)

E Gregory (staff trustee, retired 31st August 2015):

Remuneration	£45,000 - £50,000 (2014: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)

During the year ended 31st August 2015 no travel and subsistence expenses were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 26.

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2015 was £87 (2014: £87). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 st September 2014	12,447	45	70	-	12,562
Additions	20	-	5	27	52
At 31 st August 2015	12,467	45	75	27	12,614
Depreciation					
At 1 st September 2014	273	41	68	-	382
Charged in year	100	2	4	7	113
At 31 st August 2015	373	43	72	7	495
Net book values					
At 31 st August 2015	12,094	2	3	20	12,119
At 31 st August 2014	12,174	4	2	-	12,180

The Academy has been granted use of the school buildings from the Blackburn Diocesan Trustees under a Supplementary Agreement. The Academies Accounts Direction 2014 to 2015 prescribes that under this agreement the land and buildings should be included within the long-term leasehold property of the Academy.

The Supplementary Agreement includes the right for the Blackburn Diocesan Trustees to give not less than two years written notice to the Academy and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

13 Debtors

	2015 £000	2014 £000
Trade debtors	43	33
VAT recoverable	28	28
Other debtors	40	83
Prepayments and accrued income	53	82
	164	226

14 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	143	156
Taxation and social security	60	63
Other creditors	64	65
Accruals and deferred income	373	105
	640	389

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

15 Funds

	Balance at 1 st September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 st August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	492	4,184	(4,432)	66	310
Other DfE/EFA grants	-	78	(78)	-	-
Local Authority grants	-	23	(23)	-	-
National College grants	3	40	(15)	-	28
Other restricted funds	-	281	(281)	-	-
Pension reserve	(666)	-	(24)	(49)	(739)
	<u>(171)</u>	<u>4,606</u>	<u>(4,853)</u>	<u>17</u>	<u>(401)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	90	-	(90)	-
Other capital grants	2	19	-	(21)	-
Capitalised assets post conversion	1,932	-	(29)	52	1,955
Assets on conversion	10,248	-	(84)	-	10,164
	<u>12,182</u>	<u>109</u>	<u>(113)</u>	<u>(59)</u>	<u>12,119</u>
Total restricted funds	<u>12,011</u>	<u>4,715</u>	<u>(4,966)</u>	<u>(42)</u>	<u>11,718</u>
Unrestricted funds					
Unrestricted funds	467	267	(361)	(7)	366
Total unrestricted funds	<u>467</u>	<u>267</u>	<u>(361)</u>	<u>(7)</u>	<u>366</u>
Total funds	<u>12,478</u>	<u>4,982</u>	<u>(5,327)</u>	<u>(49)</u>	<u>12,084</u>

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2015. At the period end the carry forward of GAG funding was £310,000.

Other DfE/EFA grants includes monies received outside of GAG funding for example the Pupil Premium. These funds have been spent in full by the 31st August 2015.

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding. As at the 31st August 2015 these funds had been spent in full.

The National College grants include income received in relation to the Teaching School status the Academy has obtained. Teaching schools give outstanding schools a leading role in the training and professional development of teachers, support staff and headteachers, as well as contributing to the raising of standards through school-to-school support. As at the year end £28,000 of the funding received was unspent.

Other restricted funds include monies from trips & non public funds. During the period the trips & non public funds had no excess expenditure over income.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

15 Funds (continued)

The pension reserve represents the value of the academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit had risen to £739,000 at the 31st August 2015.

DfE/EFA capital grants represent capital monies received during the period from the EFA, predominantly from the Capital Improvement Fund. As at the 31st August 2015 all of these funds had been spent on specific capital projects.

Other capital grants represent other capital monies received toward capital projects. As at the 31st August 2015 all of these funds had been spent on the purchase of a new school minibus.

Capitalised assets post conversion represents the value of assets purchased since conversion to academy status. These will be depreciated in line with the accounting policies set out in note 1.

Assets on conversion represent the transfer of leasehold assets into the Academy on conversion to academy status. These were initially valued at £10,500,000 per the 2012 insurance valuation and are to be depreciated over a 125 year period.

Unrestricted funds represents funds generated via activities such as from Teaching School / Schools Direct activities, lettings, catering and bank interest receivable. This fund also includes the remaining balance of the surplus on conversion to academy status in 2011 which now stands at £175,000. The surplus on this fund at the period end was £366,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy.

16 Analysis of net assets between funds

Fund balances at 31st August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	12,119	12,119
Current assets	366	978	-	1,344
Current liabilities	-	(640)	-	(640)
Pension scheme liability	-	(739)	-	(739)
Total net assets	366	(401)	12,119	12,084

Bishop Rawstone Church of England Academy Trust

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

17 Capital commitments

	2015 £000	2014 £000
Contracted for, but not provided in the financial statements	-	79

18 Financial commitments

Operating leases

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

	2015 £000	2014 £000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>-</u>	<u>-</u>
Other		
Expiring within one year	2	1
Expiring within two and five years inclusive	23	13
Expiring in over five years	-	-
	<u>25</u>	<u>14</u>

19 Reconciliation of net income to net cash inflow from operating activities

	2015 £000	2014 £000
Net income	(345)	777
Depreciation (note 12)	113	138
Capital grants from DfE/EFA and other capital income	(109)	(769)
Interest receivable (note 4)	(2)	(2)
FRS 17 pension cost less contributions payable (note 25)	8	3
FRS 17 pension finance income (note 25)	16	20
Decrease/(increase) in debtors	62	(36)
Increase in creditors	251	125
Net cash (outflow)/inflow from operating activities	<u>(6)</u>	<u>256</u>

20 Returns on investments and servicing of finance

	2015 £000	2014 £000
Interest received	2	2
Net cash inflow from returns on investment and servicing of finance	<u>2</u>	<u>2</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

21 Capital expenditure and financial investment

	2015 £000	2014 £000
Purchase of tangible fixed assets	(52)	(1,085)
Capital grants from DfE/EFA	90	766
Capital funding received from others	19	3
Net cash inflow/(outflow) from capital expenditure and financial investment	57	(316)

22 Analysis of changes in net funds

	At 1 st September 2014 £000	Cash flows £000	At 31 st August 2015 £000
Cash in hand and at bank	1,127	53	1,180
	1,127	53	1,180

23 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Academy is required to either re-invest the proceeds or to repay the Secretary of State for Education or the Diocese the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

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/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.

25 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 Lancashire County Pension Fund. Both are multi-employer defined-benefit schemes.

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

At the end of the financial year contributions amounting to £7,786 (2014: £7,601) were payable to the schemes at 31st August and are included within creditors.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

25 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 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st 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 31st 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 9th 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 1st April 2019.

The pension costs paid to TPS in the period amounted to £303,000 (2014: £314,000).

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.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

25 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 31st August 2015 was £114,000, of which employer's contributions totalled £87,000 and employees' contributions totalled £27,000. The agreed contribution rates for future years are 15.0% for employers and the rate for employees remains dependent on the salary of the employee.

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 18th July 2013.

As described in note 1 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 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.

Principal Actuarial Assumptions

	At 31 st August 2015	At 31 st August 2014
Rate of increase in salaries	3.8%	3.7%
Rate of increase for pensions in payment / inflation	2.3%	2.2%
Discount rate for scheme liabilities	4.0%	4.0%
Inflation assumption (CPI)	2.3%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	At 31 st August 2015	At 31 st August 2014
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.8	27.7

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 st August 2015	Fair value at 31 st August 2015 £000	Expected return at 31 st August 2014	Fair value at 31 st August 2014 £000
Equities	6.5%	266	7.0%	313
Government Bonds	2.5%	42	2.9%	1
Other Bonds	3.6%	20	3.8%	168
Property	6.1%	70	6.2%	61
Cash	0.5%	10	0.5%	15
Other	6.5%	363	7.0%	73
Total market value of assets		<u>771</u>		<u>631</u>
Present value of scheme liabilities				
- Funded		(1,510)		(1,297)
(Deficit) in the scheme		<u>(739)</u>		<u>(666)</u>

The actual return on scheme assets was £27,000 (2014: £54,000).

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	95	82
Past service cost	-	-
Total operating charge	<u>95</u>	<u>82</u>
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	38	38
Interest on pension liabilities	<u>(54)</u>	<u>(58)</u>
Pension finance (costs)	<u>(16)</u>	<u>(20)</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £192,000 loss (2014: £143,000 loss).

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2015 £000	2014 £000
At 1st September	1,297	1,160
Current service cost	95	82
Past service cost	-	-
Interest cost	54	58
Employee contributions	27	25
Actuarial loss/(gain)	37	(27)
Curtailments and settlements	-	-
Benefits paid	-	(1)
At 31st August	1,510	1,297

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

	2015 £000	2014 £000
At 1st September	631	630
Expected return on assets	38	38
Actuarial (loss)	(12)	(140)
Employer contributions	87	79
Employee contributions	27	25
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	-	(1)
At 31st August	771	631

The estimated value of employer contributions for the year ended 31st August 2016 is £91,000.

The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(1,510)	(1,297)	(1,160)	(995)
Fair value of share of scheme assets	771	631	630	453
(Deficit) in the scheme	(739)	(666)	(530)	(542)
Experience adjustments on share of scheme assets	(12)	(140)	40	11
Experience adjustments on scheme liabilities:	-	80	-	-

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

26 Related Party Transactions

Owing to the nature of the academy'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 trust has an interest. All transactions involving such organisations are to be conducted at cost and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

No related party transactions with trustees took place during the course of the year ended 31st August 2015.

During the accounting year, the Academy transacted with Bishop Rawstone International Language College Trust, a charity registered with the Charities Commission whose charity number is 1063725.

The objects of this charity are to advance the education of pupils at Bishop Rawstone Church of England Academy. During the year ended the 31st August 2015 the charity made a donation to the Academy of £13,820 toward the purchase of a new minibus.

27 Agency arrangements

The Academy distributed bursary funds to students under the SCITT programme as an agent for the National College of Teaching and Leadership. In the accounting year ending 31st August 2015 the trust received £37,000 and disbursed £30,200 from the fund.

An amount of £6,800 is included in other creditors relating to undistributed funds that is repayable to the National College of Teaching and Leadership.