

Company Registration No. 07733200 (England and Wales)

BURNLEY ROAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



BURNLEY ROAD ACADEMY

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BURNLEY ROAD ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors	Mr K Boggis (Chair and Community Governor) Mrs C Cope (Headteacher) Mr R Haynes (Community Governor) Mrs A Leggett (Community Governor) Mrs R Holmes (Staff Governor) Mrs K Donlan (Staff Governor) Mrs C Naylor (Vice Chair and Parent Governor) Mr S Patience (Parent Governor) Mr S Hall (Parent Governor) Mr B Oubridge (Parent Governor) Mrs K Woodhead (LA Governor appointed 1 Oct 2018)
Members	Mrs C Cope Mr R Haynes Mrs C Naylor
Senior Management Team	
- Headteacher	Mrs C Cope
- Deputy Head Teacher	Mr T Theaker
- Key Stage 1 leader	Mrs V Walker
- SENCO	Mr D Brown
- Foundation Stage Leader	Mrs R Holmes
Company registration number	07733200 (England and Wales)
Registered Office	Burnley Road Mytholmroyd Hebden Bridge HX75DE
Independent Auditor	Simpson Wood Limited Bank Chambers Market Street Huddersfield HD1 2EW
Bankers	Yorkshire Bank 7 Waterhouse Street Halifax HX1 1XZ
Solicitors	Ramsdens LLP Oakley House 1 Hungerford Road Huddersfield HD3 3AL

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal activity is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The principal activity of the Academy is to provide free education for pupils of different abilities between the ages of 3 and 11 with an emphasis on high quality teaching and learning.

Structure, governance and management

Constitution

The Academy 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.

The Academy Trust was incorporated on 8 August 2011 and opened as an Academy on 1 September 2011.

The governors act as the trustees for the charitable activities of Burnley Road Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Burnley Road Academy.

Details of the governors who served throughout the year except as noted are included in the reference and administrative details on page 1.

Members' liability

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

Governors' indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000

Method of recruitment and appointment or election of governors

On 1 September 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

The Academy's Governing Body comprises the Headteacher, a minimum of 4 Parent Governors, up to 2 Staff Governors and up to 4 other Governors.

The Academy Trust shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 1 LA Governors who are appointed by the Local Authority.
- up to 4 Parent Governors who are elected by Parents of registered pupils at the Academy.
- up to 2 Staff Governors appointed by the Governing Body.
- up to 3 Community Governors who are appointed by the Governing Body.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and procedures adopted for the induction and training of governors

The Academy has a Governor Recruitment, Induction and Training pack available from the Clerk to the Governors.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Governors' Conference organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities.

Organisational structure

The Board of Governors normally meets at least once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are four committees as follows;

- Finance and Staffing Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It incorporates a Staffing Committee which meets when necessary to deal with all matters relating to staffing.
- Curriculum and Audit Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. It also incorporates the role of an audit committee to ensure independence from the Finance Committee.
- Admissions Panel which meets when necessary to deal with all matters relating to admissions.
- Performance management which meets for head teacher appraisal

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the head teacher and Clerk to the Governors, to approve the Annual School Improvement Plan and budget.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, (also Ks2 leader), SENCO, KS1 Leader and FS Leader. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Headteacher, Academy Finance Officer and Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff. Governors form part of the recruitment panel for the Headteacher and the deputy Headteacher.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy follows traditional government/local authority pay structures and performance management procedures. All staff members are paid on the traditional pay scales in line with the local authority. Staff can move up the pay scales based on performance management and successful outcomes for children.

The Performance Management Committee recommends decisions about the Head Teacher's pay. The Head Teacher is responsible for other staff performance management and recommendations about increases in pay. The whole governing body makes the final decisions based on the recommendations.

Related Parties and Other Connected Charities and Organisations

The Academy has strong collaborative links with the local high school, Calder High, and other local primary schools which form part of the Calder Valley Collaborative.

There are no related parties which either control or significantly influence the decisions and operations of Burnley Road Academy. There are no sponsors; however we do have an informal Parent Teacher Friends Association (PTFA) associated with the Academy.

Mr R Haynes, a governor, is a director and has an interest in Fisher & Haynes Ltd, who have carried out building work. Details of these transactions can be found in Note 26.

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of Burnley Road Academy to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The aims of the Academy during the year ended 31 August 2018 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extracurricular activities.
- to develop pupils as more effective learners.

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

- to enhance the provision and outcomes for all learners.
- to develop the Academy site so that it enables pupils to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students attaining and exceeding government age related expectations and making good progress
- to provide value for money for the funds expended.
- to develop the curriculum and to comply with all appropriate statutory and curriculum requirements.
- to continue to develop greater coherence, clarity and effectiveness in school systems.
- to maintain close links with industry and commerce.
- to develop the Academy's capacity to manage change.
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Burnley Road Academy we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, strategies and activities

Key priorities for the year 2018 - 2019 are contained in our Academy Improvement Plan which is available from the Academy Office. Improvement focuses identified for this year include:

1. Higher Attaining Pupils – To increase the proportions of pupils attaining at greater depth in English and Maths at the end of Ks1 and Ks2 in line with national standards.
2. Disadvantaged Pupils - Narrow the gaps for disadvantaged pupils in reading, writing and maths (these vary depending on cohorts) by using Raising Achievement Plans, ensuring appropriate deployment of TLAs and through using EWO sessions to tackle low attendance.
3. Mental Health - To enhance provision that supports mental health and the well-being of pupils and staff.
4. Investors in Pupils - To achieve the Investors in Pupils Award thereby validating our strengths in supporting pupils to be the best they can be in all areas.
5. Curriculum Review - To carry out a review and possible restructure of our curriculum to ensure clear progression in knowledge and skills as well as long term recall in all National Curriculum subjects.

Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Mytholmroyd and the surrounding area. In particular, but without prejudice to the generality of the forgoing, by estimating, maintaining, managing and developing schools, offering a broad curriculum.

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools in our locality cluster. We support these schools through use of our premises and specialist skills in key areas.

Strategic report

Achievements and performance

The Academy has maintained high numbers beyond the forecasted 215. There are currently 235 pupils in the Academy.

Key performance indicators

Review of Performance for 2018

EYFS

Good Level of Development					
2016		2017		2018	
School %	National %	School %	National %	School %	National %
67.9	69.3	75.9	70.7	76	71

The Early Years Foundation Stage is very good. Standards continue to be above national due to high quality provision matched to children's needs.

Year 1 Phonics Screening Check

Phonics year 1					
2016		2017		2018	
School %	National %	School %	National %	School %	National %
86.2	80.6	70.4	81.2	92	83

Outcomes in 2018 are much higher than in previous years due to successful teaching, very engaged pupils and close working relationships with parents and carers.

Key Stage 1 2018

Cohort of 46 pupils

	Expected standard		Greater depth	
	School %	National %	School %	National %
Reading	73	76	23	26
Writing	70	70	10	16
Maths	73	76	20	22

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

This cohort has a high proportion of children with Special Educational needs, i.e. 19% and although those pupils have made significant progress they have not reached age related expectations. This has had a corresponding impact on the overall results for the cohort.

In 2018 the school's outcomes for 'Expected' and 'Greater Depth' in reading are broadly in line with national standards, the difference is equal to one child.

Writing standards are in line with national for 'Expected'. The school improvement plan includes a section to address standards at 'Greater Depth' in writing. The difference is equal to two children.

Standards in maths are broadly in line with national at 'Expected' and at 'Greater Depth'. The difference is one child at 'Expected' and less than one child at 'Greater Depth'.

Key Stage 2

	Progress	Achieved the National Standard		Higher Standard		Average score	
	School	School %	Nat. %	School %	Nat. %	School %	Nat. %
Reading	+0.93	80	75	30	28	105	105
Writing	+0.46	80	78	13	20		
Maths	- 1.17	77	76	3	24	102.2	104.4
EGPS		80	78	13	34		
Combined		70	64	0	10		

In 2018 the school's attainment for 'expected' for combined subject was higher than the national level. Attainment of the expected standard was also higher than national for reading, writing, EGPS and mathematics. Attainment of the higher standard was above national in reading, but below in other subjects, this was due to a high proportion of disadvantaged pupils i.e. 27%, many of whom had dyslexic tendencies and some had social and emotional issues. Progress measures were positive and in line with national averages in all subjects.

General

The Academy has maintained single age classes, with each year group having its own class and now two classes in Year 5. All classes have teaching and learning assistants, which are a valuable addition to the classroom.

Over 30 parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths and trips out of school as well as with the PTFA events.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team and the Curriculum Leaders.

The Academy was inspected by OFSTED in November 2016 and was judged to be good.

Continuing professional development for staff has been very successful with all staff taking up some form of training.

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

The Academy is part of the Calder Valley Cluster of schools that works together on staff development and school improvement. This links to the Calderdale Primary Schools group that work together to achieve school improvement.

Going concern

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

Financial review

General financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year to 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, the total expenditure of £1,305,711 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit) was £44,007.

At 31 August 2018 the net book value of fixed assets was £2,394,777 and movement in tangible fixed assets are shown in Note 10 to the financial statements.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

The assets were used exclusively for providing education and the associated support services to pupils of the Academy.

Reserves policy

The Governors 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. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The value of free reserves which are available for general purposes as at 31 August 2018 are £118,227.

The Governors have reviewed the future plans of the Academy. There are no plans in place to set designated reserves.

Investment policy and powers

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 88.3% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

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

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

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Financial and risk management objectives and policies

The Academy has agreed Accounting Policies, a Risk Register and a Debt Recovery Policy. These have been discussed by Governors and include the financial risks to the Academy. The register and policies are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems

BURNLEY ROAD ACADEMY

GOVERNORS' REPORT (continued)

to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is in financial good health, the increased staffing costs due to nationally agreed pay awards, changes in funding arrangements for special educational needs and other increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Plans for future periods

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with cluster schools to improve the educational opportunities for pupils in the wider community.

The Governing Body plans to utilise the majority of existing reserves and any surplus from 2017/18 towards the projects indicated above.

Full details of our plans for the future are given in our School Improvement Plan, which is available from the Clerk to the Governors.

We plan to maintain single aged classes with teaching assistants in all classes, which will reflect in academic outcomes being improved.

Funds held as custodian trustee on behalf of others

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

Auditor

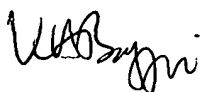
In so far as the governors are aware:

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

A resolution proposing that Simpson Wood Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 27 November 2018 and signed on its behalf by:

Mr. K Boggis



Chair and LA Governor

BURNLEY ROAD ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The governing body 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 Burnley Road Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The governing body has formally met 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
Mr K Boggis (Chair and Community Governor)	6	6
Mrs C Cope (Headteacher)	6	6
Mr R Haynes (Community Governor)	5	6
Mrs R Holmes (Staff Governor)	4	6
Mrs A Leggett (Community Governor)	4	6
Mrs C Naylor (Vice Chair and Parent Governor)	3	6
Mr S Patient (Parent Governor)	5	6
Mr S Hall (Parent Governor)	6	6
Mrs K Donlan (Non-Teaching Staff Governor)	3	6
Mr B Oubridge (Parent Governor)	6	6
Mrs G Wrathall (LEA Governor) (Refused appointment by LA)	1	1

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

A skills audit has been carried out. Members have a wide range of skills and experience and no significant gaps were identified. Another review will be completed in Spring 2019.

BURNLEY ROAD ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year and reports to the governing body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy has delivered improved value for money during the year by:

Improving educational results

Attendance improved this year and is in line with national expectations. Outcomes are good in all key stages and are broadly in line with or above national standards. We ensure that resources are directed where they are most needed and most effective in supporting pupil attainment and achievement in the following ways.

- Pupil Premium is used to provide targeted support and individual assistance.
- Additional needs money is used to provide support for pupils with SENd.
- Support staff provide 1:1 and small group intervention and support to develop literacy and numeracy skills.
- Effective staff to pupil ratios in classes.
- Release time for the SENd co-ordinator to arrange and monitor support.
- Release time for teachers to take part in pupil progress meetings, pupil mentoring and subject management.
- Sports funding is used to increase opportunities for physical activity, widen the range of activities available and for training for teachers and support staff.
- Investment in staff CPD.

All available data shows the Academy has put in place effective strategies for achieving good outcomes for children in the Academy.

Financial governance and oversight

Our arrangements include regular monitoring by the Governing Body and its Finance Committee. These bodies receive regular reports and provide challenge as recorded in the minutes of meetings. Further scrutiny is provided by the accountant from Calderdale LA and the Responsible Officer (a member of the Governing Body). Governors attend committees based on their skillsets. Budget software is used to forecast for three years.

Effective purchasing

The Academy always views alternative purchasing options in order to find best value. We make use of our contacts in the Business Manager network and CPHA to inform our decision-making. A tendering process is used for all major contracts and works. The academy collaborates with local schools to reduce costs where possible, for example in the purchasing of tracking systems. Cost savings are an ongoing consideration.

Income generation

The Academy explores new ways of income generation for example through additional lettings and an active parents and friends association.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be released and to manage them efficiently, effectively and economically. The system of internal control has been in place in Burnley Road Academy for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's

BURNLEY ROAD ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and 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 Governing Body;
- Regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (assess purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and appointed Roger Haynes as responsible officer (RO). The officer checks budget statements every half term. No significant issues have arisen from the checks. The governors have bought in the services of a local authority accountant to reconcile financial systems each month. They have also appointed Simpson Wood Limited, the external auditor to perform additional checks.

Simpson Wood Limited's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing payroll systems
- Testing of purchase systems
- Testing of income systems
- Testing of control account/bank reconciliations
- Reviewing financial reports issued to governors

On a termly basis, Simpson Wood Limited reports to the Governing Body through the finance and general purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body. No material control issues have arisen as a result of this work.

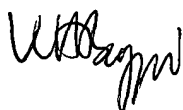
Review of effectiveness

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

- The work of the responsible officer;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy 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 on internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body on 27th November 2018 as signed on behalf by:



Mr K Boggis
Chair and Community Governor



Mrs C Cope
Headteacher

BURNLEY ROAD ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR END 31 AUGUST 2018

As accounting officer of Burnley Road Academy I have considered my responsibility to notify the Academy governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and condition of funding, under the funding agreement in place between the Academy 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 2017.

I confirm that I and the Academy's governing body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2017.

I confirm that in 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 governing body and ESFA.



Mrs C Cope
Accounting Officer

27 November 2018

BURNLEY ROAD ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR END 31 AUGUST 2018

The governors (who act as trustees for Burnley Road Academy and are also the directors of Burnley Road Academy for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts the governors are required to:


- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2017 and Academies Accounts Direction 2017 to 2018
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the governing body on 27 November 2018 and signed on behalf by


Mr K Boggis
Chair and Community Governor

BURNLEY ROAD ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNLEY ROAD ACADEMY

We have audited the accounts of Burnley Road Academy for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

BURNLEY ROAD ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNLEY ROAD ACADEMY

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

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

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

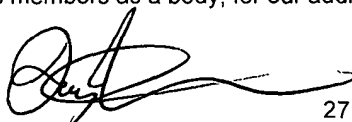
Auditor's responsibilities for the audit of the financial statements

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

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

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

Daniel McAllister FCA (Senior Statutory Auditor)
for and on behalf of Simpson Wood Limited
Chartered Accountants
Statutory Auditor



27 November 2018

Bank Chambers
Market Street
Huddersfield
HD1 2EW

BURNLEY ROAD ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURNLEY ROAD ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 17 October 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Burnley Road Academy during the period 1 September 2017 to 31 August 2018 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 Burnley Road Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Burnley Road Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Burnley Road Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Burnley Road Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Burnley Road Academy's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance which may include review and corroboration of the most recent Financial Management and Governance Evaluation or equivalent;
- evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- when performing sample testing of expenditure, considering whether the activity is permissible within the academy trust's framework of authorities.

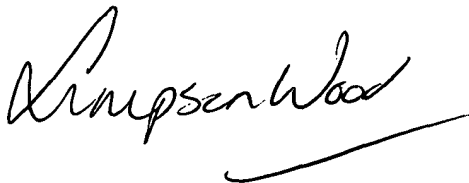
BURNLEY ROAD ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURNLEY ROAD ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Simpson Wood', with a long horizontal flourish extending to the right.

Reporting Accountant

Simpson Wood Limited
Bank Chambers
Market Street
Huddersfield
HD1 2EW

27 November 2018

BURNLEY ROAD ACADEMY

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	1,637	12,145	6,685	20,467	44,952
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	3		1,132,622	-	1,132,622	1,425,692
Other trading activities	4	46,245	-	-	46,245	56,420
Total		47,882	1,144,767	6,685	1,199,334	1,527,064
Expenditure on:						
Raising funds	5	37,240	-	-	37,240	35,966
<i>Charitable activities:</i>						
Academy's educational operations	6	-	1,178,402	90,069	1,268,471	1,570,715
Total		37,240	1,178,402	90,069	1,305,711	1,606,681
Net income/(expenditure)		10,642	(33,635)	(83,384)	(106,377)	(79,617)
Transfers between funds	15	16,000	-	(16,000)	-	-
Other recognised gains/(losses)						
Actuarial losses/(gains) on defined benefit pension schemes	15,25	-	112,000	-	112,000	284,000
Net movement in funds		26,642	78,365	(99,384)	5,623	204,383
Reconciliation of funds						
Total funds brought forward at 1 September 2017	15	91,585	(86,954)	2,534,239	2,538,870	2,334,487
Total funds carried forward		118,227	(8,589)	2,434,855	2,544,493	2,538,870

BURNLEY ROAD ACADEMY

Company Number

Balance Sheet as at 31 August 2018

07733200

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	10		2,394,777		2,484,846
Current assets					
Stock	11	1,360		-	
Debtors	12	47,933		188,407	
Cash at bank and in hand		<u>386,840</u>		<u>214,114</u>	
		436,133		402,521	
Liabilities:					
Creditors: Amounts falling due within one year	13	(52,417)		(53,497)	
Net current assets			<u>383,716</u>		<u>349,024</u>
Total assets less current liabilities			2,778,493		2,833,870
Net assets excluding pension			2,778,493		2,833,870
Defined benefit pension scheme liability	25		<u>(234,000)</u>		<u>(295,000)</u>
Total net assets			<u>2,544,493</u>		<u>2,538,870</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	15		2,434,855		2,534,239
Restricted income fund	15		225,411		208,046
Pension reserve	15		<u>(234,000)</u>		<u>(295,000)</u>
Total restricted funds			<u>2,426,266</u>		<u>2,447,285</u>
Unrestricted income funds	15		118,227		91,585
Total Funds			<u>2,544,493</u>		<u>2,538,870</u>

The financial statements on pages 22 to 41 were approved by the trustees, and authorised for issue on 27 November 2018 and signed on their behalf by:


Mr K Boggis
Chair of Trustees

BURNLEY ROAD ACADEMY

Statement of Cash Flows for the Year Ended 31 August 2018

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	166,041	157,176
Cash flows from financing activities	20	-	-
Cash flows from investing activities	21	6,685	23,379
Change in cash and cash equivalents in the reporting period	22	<u>172,726</u>	<u>180,555</u>
Cash and cash equivalents at 1 September 2017		214,114	33,559
Cash and cash equivalents at 31 August 2018		<u>386,840</u>	<u>214,114</u>

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018

1. Accounting Policies

Burnley Road Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1. Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Burnley Road Academy meets the definition of a public benefit entity under FRS 102.

1.2. Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adapt the going concern basis of accounting in preparing the accounts.

1.3. Income

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

- **Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) where the receipt is probable and it can be reliably measured.

- **Donations**

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

- **Other income**

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

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "income from other trading activities". Upon sale, the value of stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. The income is recognised within "Income from other trading activities".

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Governance costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management, governors meeting and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

Assets costing £5,000 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.

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

Land and buildings	2%
Fixtures, fittings and equipment	15%
Computer equipment	33%

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.

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Unsold uniform are valued at the lower of cost or net realisable value.

1.10 Taxation

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

1.11 Pensions Benefits

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

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

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

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

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

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Pension liability: the key assumption is a continuation of the current level of liability across the three year budget forecast. The level of pension liability will be updated when the next tri-annual actuarial assessment is available, with those figures applied for the following period.

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Capital grants	-	6,685	6,685	6,723
Donated fixed assets	-	-	-	-
Other donations	1,637	12,145	13,782	38,229
	<u>1,637</u>	<u>18,830</u>	<u>20,467</u>	<u>44,952</u>

The income from donations and capital grants was £20,467 (2017: £44,952) of which £1,637 was unrestricted (2017: £475), £12,145 restricted (2017: £37,754) and £6,685 restricted fixed assets (2017: £6,723)

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE / EFSA revenue grants				
General Annual Grant (GAG)	-	819,693	819,693	856,672
Other DfE / ESFA grants	-	120,286	120,286	122,000
	<u>-</u>	<u>939,979</u>	<u>939,979</u>	<u>978,672</u>
Other government grants				
Local authority grants	-	109,098	109,098	104,092
Other income from the academy trust's educational operations	-	83,545	83,545	342,928
Total funding	<u>-</u>	<u>1,132,622</u>	<u>1,132,622</u>	<u>1,425,692</u>

The income from Funding for Academy's educational operations was £1,132,622 (2017: £1,425,692), £1,132,622 restricted (2017: £1,425,692)

4 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of facilities and services	10,923	-	10,923	1,808
Nursery fees	2,932	-	2,932	10,753
Parental contributions	-	-	-	10,937
Catering income	28,705	-	28,705	26,712
Other income	3,685	-	3,685	6,210
	<u>46,245</u>	<u>-</u>	<u>46,245</u>	<u>56,420</u>

The income from other trading activities was £46,245 (2017: £56,420) of which £46,245 was unrestricted (2017: £56,420).

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Expenditure

	Staff Costs £	Non Pay Premises £	Expenditure Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	21,727		14,774	36,501	27,588
Allocated support costs			739	739	8,378
Academy's educational operations					
Direct costs	778,875		57,684	836,559	873,269
Allocated support costs	118,951	142,855	170,106	431,912	697,446
	<u>919,553</u>	<u>142,855</u>	<u>243,303</u>	<u>1,305,711</u>	<u>1,606,681</u>

Net Incoming/(expenditure) for the period includes:	2018 £	2017 £
Operating leases rentals	4,651	2,524
Fees payable to auditor - audit	2,850	2,600
- other services	2,305	2,250
Depreciation of tangible fixed assets	90,069	90,656
Net interest in defined benefit pension liability	7,000	10,000

Included within resources expended are gifts and hospitality costs made by the trust of £60 (2017: £nil)

6 Charitable activities

	Total 2018 £	Total 2017 £
Direct costs-educational operations	836,559	873,269
Support costs-educational operations	<u>431,912</u>	<u>697,446</u>
	<u>1,268,471</u>	<u>1,570,715</u>

Analysis of support costs

	2018 £	2017 £
Allocated support costs		
Support staff costs	118,951	182,237
Depreciation and amortisation	90,069	90,656
Technology costs	10,211	21,542
Premises costs	52,786	317,588
Other supports costs	147,981	79,613
Governance costs	<u>11,914</u>	<u>5,810</u>
	<u>431,912</u>	<u>697,446</u>

Included within governance costs are any costs associated with the strategic as opposed to the day to day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administration provided to the trustees, and cost relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Staff costs

	Total 2018 £	Total 2017 £
Wages and salaries	746,200	738,676
Social security costs	53,937	53,422
Pension costs	115,033	155,240
Staff costs	915,170	947,338
Agency staff costs	4,383	14,679
Total staff expenditure	919,553	962,017

Staff numbers

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

	2018 No.	2017 No.
Teachers	8	10
Administration and support	35	35
Management	5	4
	48	49

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the academy trust was £305,643 (2017: £260,702)

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Related Party Transactions-Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments from the academy trust in respect of their role as governors. The value of governors' remuneration was as follows:

Mrs C Cope (Headteacher)		
Remuneration	£55,000 - £60,000	(2017 - £55,000 - £60,000)
Pension contributions	£5,000 - £10,000	(2017 - £5,000 - £10,000)
Mrs R Holmes (Staff Governor)		
Remuneration	£35,000 - £40,000	(2017 - £35,000 - £40,000)
Pension contributions	£5,000 - £10,000	(2017 - £5,000 - £10,000)
Ms K Donlan (Staff Governor)		
Remuneration	£10,000 - £15,000	(2017 - £10,000 - £15,000)
Pension contributions	£0,000 - £5,000	(2017 - £0,000 - £5,000)

During the period ended 31 August 2018, no travel and subsistence expenses were paid to trustees (2017:nil)

Other related party transactions involving the governors are set out within the related parties note.

9 Governors and officers insurance

In accordance with normal commercial practice the academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000. The cost of this is included in the total insurance cost.

10 Tangible fixed assets

	Leasehold Land and Buildings	Fixtures, fittings and equipment	Computer Equipment	Total
Cost	£	£	£	£
At 1 September 2017	2,390,682	427,591	5,921	2,824,194
Additions	-	-	-	-
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 August 2018	2,390,682	427,591	5,921	2,824,194
Depreciation				
At 1 September 2017	135,074	201,669	2,605	339,348
Charged in year	25,605	62,510	1,954	90,069
Disposals	-	-	-	-
At 31 August 2018	160,679	264,179	4,559	429,417
Net book values				
At 31 August 2018	2,230,003	163,412	1,362	2,394,777
At 1 September 2017	2,255,608	225,922	3,316	2,484,846

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Stock	2018	2017
	£	£
Uniform	1,360	-
	<u>1,360</u>	<u>-</u>
12 Debtors	2018	2017
	£	£
Trade debtors	2,264	146,733
VAT recoverable	3,834	15,991
Prepayments and accrued income	41,835	25,683
	<u>47,933</u>	<u>188,407</u>
13 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	-	-
Other creditors	-	13,446
Accruals and deferred income	52,417	40,051
	<u>52,417</u>	<u>53,497</u>
14 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>32,927</u>	<u>26,596</u>
Deferred income at 1 September 2017	26,596	18,219
Release from previous years	(26,596)	(18,219)
Amounts deferred in the year	32,927	26,596
Deferred income at 31 August 2018	<u>32,927</u>	<u>26,596</u>

At the balance sheet date the academy trust was holding funds in advance for rates relief (£1,927), universal infant free school meals grant (£16,060), early year funding (£14,467) and school meals (£473). These are for services which will be provided from September 2018 to March 2019.

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds

	Balance at 1 September 2017	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant	203,513	819,693	(842,740)	(2,406)	178,060
Other DfE/ ESFA grants	-	120,286	(119,261)	2,406	3,431
Other government grants	-	109,098	(109,098)	-	-
Other restricted funds	4,533	95,690	(56,303)	-	43,920
Pension reserve	(295,000)	-	(51,000)	112,000	(234,000)
	<u>(86,954)</u>	<u>1,144,767</u>	<u>(1,178,402)</u>	<u>112,000</u>	<u>(8,589)</u>
Restricted fixed asset funds					
Transferred on conversion	2,031,798	-	(24,122)	-	2,007,676
DfE/ESFA capital grants	303,278	6,685	(44,247)	-	265,716
Capital expenditure from GAG	75,891	-	(2,260)	(16,000)	57,631
Flood Insurance Income	103,316	-	(16,496)	-	86,820
Big Lottery Grant	9,500	-	(1,500)	-	8,000
Community Foundation for Calderdale	10,456	-	(1,444)	-	9,012
	<u>2,534,239</u>	<u>6,685</u>	<u>(90,069)</u>	<u>(16,000)</u>	<u>2,434,855</u>
Total restricted funds	<u>2,447,285</u>	<u>1,151,452</u>	<u>(1,268,471)</u>	<u>96,000</u>	<u>2,426,266</u>
Total unrestricted funds					
General funds	91,585	47,882	(37,240)	16,000	118,227
Total funds	<u>2,538,870</u>	<u>1,199,334</u>	<u>(1,305,711)</u>	<u>112,000</u>	<u>2,544,493</u>

Movements in funds - previous year

	Balance at 1 September 2016	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant	168,852	856,672	(838,011)	16,000	203,513
Other DfE/ ESFA grants	-	122,000	(122,000)	-	-
Other government grants	-	104,092	(104,092)	-	-
Other restricted funds	5,336	357,132	(357,935)	-	4,533
Pension reserve	(523,000)	-	(56,000)	284,000	(295,000)
	<u>(348,812)</u>	<u>1,439,896</u>	<u>(1,478,038)</u>	<u>300,000</u>	<u>(86,954)</u>
Restricted fixed asset funds					
Transferred on conversion	2,057,548	-	(25,750)	-	2,031,798
DfE/ESFA capital grants	357,563	6,723	(61,008)	-	303,278
Capital expenditure from GAG	75,891	-	-	-	75,891
Flood Insurance Income	105,270	-	(1,954)	-	103,316
Big Lottery Grant	-	10,000	(500)	-	9,500
Community Foundation for Calderdale	-	11,900	(1,444)	-	10,456
	<u>2,596,272</u>	<u>28,623</u>	<u>(90,656)</u>	<u>-</u>	<u>2,534,239</u>
Total restricted funds	<u>2,247,460</u>	<u>1,468,519</u>	<u>(1,568,694)</u>	<u>300,000</u>	<u>2,447,285</u>
Total unrestricted funds					
General funds	87,027	58,545	(37,987)	(16,000)	91,585
Total funds	<u>2,334,487</u>	<u>1,527,064</u>	<u>(1,606,681)</u>	<u>284,000</u>	<u>2,538,870</u>

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 A current 12 months and prior 12 months combined position as follows:

	Balance at 1 September 2016	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant	168,852	1,676,365	(1,680,751)	13,594	178,060
Other DfE/ ESFA grants	-	242,286	(241,261)	2,406	3,431
Other government grants	-	213,190	(213,190)	-	-
Other restricted funds	5,336	452,822	(414,238)	-	43,920
Pension reserve	(523,000)	-	(107,000)	396,000	(234,000)
	<u>(348,812)</u>	<u>2,584,663</u>	<u>(2,656,440)</u>	<u>412,000</u>	<u>(8,589)</u>
Restricted fixed asset funds					
Transferred on conversion	2,057,548	-	(49,872)	-	2,007,676
DfE/ESFA capital grants	357,563	13,408	(105,255)	-	265,716
Capital expenditure from GAG	75,891	-	(2,260)	(16,000)	57,631
Flood Insurance Income	105,270	-	(18,450)	-	86,820
Big Lottery Grant	-	10,000	(2,000)	-	8,000
Community Foundation for Calderdale	-	11,900	(2,888)	-	9,012
	<u>2,596,272</u>	<u>35,308</u>	<u>(180,725)</u>	<u>(16,000)</u>	<u>2,434,855</u>
Total restricted funds	<u>2,247,460</u>	<u>2,619,971</u>	<u>(2,837,165)</u>	<u>396,000</u>	<u>2,426,266</u>
Total unrestricted funds					
General funds	87,027	106,427	(75,227)	-	118,227
Total funds	<u>2,334,487</u>	<u>2,726,398</u>	<u>(2,912,392)</u>	<u>396,000</u>	<u>2,544,493</u>

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

- i) Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2018.
- ii) Restricted fixed asset were funded by the transfer from the predecessor school, GAG and government grants.
- iii) Restricted capital funds available to spend as at 31 August 2018 totals £2,435k.
- iv) Restricted general funds available as at 31 August 2018 totals £223k which will be used to support future years spending.
- v) Unrestricted fund balance of £118k will be used to support future years spending and enhanced the quality of teaching and learning (the three year budget plan includes planned in year deficit budgets).

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2018
	£	£	£	£
Tangible fixed assets	-	-	2,394,777	2,394,777
Current assets	118,699	277,356	40,078	436,133
Creditors falling due within one year	(472)	(51,945)	-	(52,417)
Defined benefit pension liability	-	(234,000)	-	(234,000)
Total net assets	118,227	(8,589)	2,434,855	2,544,493

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

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2017
	£	£	£	£
Tangible fixed assets	-	-	2,484,846	2,484,846
Current assets	91,585	248,097	62,839	402,521
Creditors falling due within one year	-	(40,051)	(13,446)	(53,497)
Defined benefit pension liability	-	(295,000)	-	(295,000)
Total net assets	91,585	(86,954)	2,534,239	2,538,870

17 Capital commitments

There are no known capital commitments for 2018-19 (2017-18 nil)

18 Commitments under operating leases

Operating leases

At 31 August 2018 the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	4,551	4,651
Amounts due between one and five years	9,722	14,273
Amounts due after five years	-	-
Total	14,273	18,924

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Reconciliation of net income to net cash inflow from operating activities	2018	2017
	£	£
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	(106,377)	(79,617)
Adjusted for:		
Depreciation of tangible fixed assets (note 10)	90,069	90,656
Capital grants from DfE/ ESFA and other capital income	(6,685)	(28,623)
Defined benefit pension scheme costs less contributions payable	44,000	46,000
Defined benefit pension scheme net finance cost	7,000	10,000
Increase in stock	(1,360)	-
(Increase)/decrease in debtors	140,474	436,679
Increase/(decrease) in creditors	(1,080)	(317,919)
Net cash provided by/ (used in) operating activities	166,041	157,176
20 Cash flows from financing activities	2018	2017
	£	£
Interest received	-	-
Net cash provided by/ (used in) financing activities	-	-
21 Cash flows from investing activities	2018	2017
	£	£
Purchase of tangible fixed assets	-	(5,244)
Capital grants from DfE/YPLA	6,685	28,623
Net cash provided by / (used in) investing activities	6,685	23,379
22 Analysis of cash and cash equivalents	At 31 August	At 31 August
	2018	2017
	£	£
Cash in hand and at bank	386,840	214,114

23 Contingent Liabilities

None.

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.

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire 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 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The Pension costs paid to TPS in the period amounted to £71,617 (2017: £69,731).

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 31 August 2018 was £61,000 (2017: £54,000) of which employer's contributions totalled £45,000 (2017: £40,000) and employees' contributions totalled £16,000 (2017: £14,000). The agreed contribution rates for future years are 15.9% per cent for employers and within the range of 5.5% and 5.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013.

Principal actuarial assumptions	At 31 August 2018	At 1st September 2017
Discount Rate for scheme liabilities	2.80%	2.50%
Rate of increase to pensions in payment	2.10%	2.10%
Rate of revaluation of pension accounts	2.10%	2.10%
Rate of general increase in salaries	3.35%	3.35%
Inflation assumption (CPI)	2.10%	2.10%
RPI Inflation	3.20%	3.20%

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

	At 31 August 2018	At 1st September 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

Sensitivity analysis	2018 £m	2017 £m
Discount rate +0.1%	1.329	1.281
Discount rate -0.1%	1.385	1.335
Mortality assumption -1 year increase	1.317	1.268
Mortality assumption -1 year decrease	1.397	1.348
CPI rate +0.1%	1.366	1.316
CPI rate -0.1%	1.348	1.300

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	837,758	781,000
Bonds	160,589	137,000
Property	47,166	46,000
Cash	24,706	15,000
Other	52,781	34,000
Total market value of assets	1,123,000	1,013,000

The actual return on the scheme assets was £57,000 (2017: £96,000).

Amount recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	89,000	86,000
Interest income	(26,000)	(18,000)
Interest cost	33,000	28,000
Total operating charge	96,000	96,000

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

	2018 £	2017 £
At 1 September 2017	1,308,000	1,394,000
Current service cost	89,000	86,000
Interest cost	33,000	28,000
Employee contributions	16,000	14,000
Actuarial (gain)/loss	(81,000)	(206,000)
Benefits paid	(8,000)	(8,000)
At 31 August 2018	1,357,000	1,308,000

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

	2018 £	2017 £
At 1 September 2017	1,013,000	871,000
Interest income	26,000	18,000
Actuarial gains / (losses)	31,000	78,000
Employer contributions	45,000	40,000
Employee contributions	16,000	14,000
Benefits paid	(8,000)	(8,000)
At 31 August 2018	1,123,000	1,013,000

BURNLEY ROAD ACADEMY

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Related party transactions

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

The following related party transactions took place in the period of account:

Fisher & Haynes Limited - a company in which Mr R Haynes, a governor, is a director and has an interest. Transactions totalling £2,097 (2017: £7,205) relating to the building work took place in the year.

Any element above £2,500 is provided at no more than cost.