

BURNAGE ACADEMY FOR BOYS
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

Haines Watts

Chartered Accountants & Registered Auditors
Bridge House
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BURNAGE ACADEMY FOR BOYS

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BURNAGE ACADEMY FOR BOYS

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Scott K Moghal C Collinson (resigned 29 August 2018)
Trustees	A Scott (Chair of Trustees) S Jones (Resigned 29 August 2018) I Fenn (Headteacher) C Collinson (Chair of Finance & Audit Committee) (Resigned 29 August 2018) K Moghal C Austin (Resigned 25 June 2018) J Shepherd E Simaei (Resigned 9 July 2018) K McGuinness U Saleem (Resigned 19 September 2017) R Webster (Chair of Safeguarding Committee) M Khan (Resigned 19 September 2017) A Bokhari N Elliott (Appointed 5 February 2018) S Ishaq (Appointed 5 February 2018) J Fox (Appointed 5 February 2018) N Zafar (Appointed 5 February 2018) C Meyer (Appointed 5 February 2018) E Brown (Appointed 7 September 2018)
Senior management team	
- Headteacher	I Fenn
- Deputy Headteacher	J Hill (resigned 31 August 2018)
- Deputy Headteacher	I Ross
- Assistant Headteacher	H Carter
- Assistant Headteacher	D Broderick
- Assistant Headteacher	D Lingenfelter
- Assistant Headteacher	M Rogers
- Director of Finance	T Merzougui
Company registration number	08921898 (England and Wales)
Registered office	Burnage Lane, Manchester, M19 1ER
Independent auditor	Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, Cheshire, WA14 2UT
Bankers	Lloyds TSB Bank Plc, Market Street, Manchester, M46 0DP
Solicitors	Slater Heelis LLP, Oaklands House, 2nd Floor Suite 2, 34 Washway Road, Sale, M33 6FS

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (governors) present their annual report together with the financial statements and auditor's report of the charitable company for the year 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.

Burnage Academy for Boys is a single academy trust operating one school, Burnage Academy for Boys.

Burnage Academy for Boys is a converter academy for pupils aged 11 to 16 serving one of the most deprived communities within the Manchester Local Authority. After the census in January 2018, there were 913 pupils on the roll, 416 (January 2018 LA adjusted figures), of whom were eligible to pupil premium.

Burnage Academy for Boys has been judged to have **outstanding** overall effectiveness in a recent Ofsted inspection.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee (company number: 08921898) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Burnage Academy for Boys are also directors of the charitable company for the purpose of company law. The charitable company is known as Burnage Academy for Boys.

The charitable company was incorporated on 4 March 2014 and began trading on 1 April 2014. The details of the trustees (governors) who served throughout the last twelve months are detailed in the reference and administrative details on page 1 together with details of the company's registered office.

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.

*As required in the academy trust's funding agreement/memorandum and articles of association (Article 8).

Trustees' indemnities

The academy trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, error or omissions occurring while on academy trust business. The insurance provides cover up to £5,000,000 limit of liability on any one claim.

Method of recruitment and appointment or election of trustees

The members of the academy trust shall comprise:

- The signatories to the memorandum
- The chair of trustees
- Any person appointed under article 16

The members agree by passing a special resolution in writing to appoint such additional members as they think fit and may agree by passing a special resolution in writing to remove any such additional members, provided that such appointment or removal is in the interest of the academy trust (Article 16).

Any new trustee would be appointed based on an assessment of the member's skill set. The term of office for any trustee is 4 years, save that this time limit shall not apply to the headteacher. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms set out in the articles of association.

The trustees are directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purpose of the charity legislation. Trustees are appointed by members. The trustees may appoint up to 2 co-opted trustees.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Community trustees are appointed by the board of trustees. Trustees are appointed as and when vacancies occur or when individuals with the skills required are identified. Parent trustees shall be elected by parents of registered pupils in the academy using the procedures set out in the articles of association. The Secretary of State retains the power to appoint additional trustees.

The trustees who were in office at 31 August 2018 are listed on page 1.

Policies and procedures adopted for the induction and training of trustees

Trustees (governors) have access to a comprehensive training package and receive a full induction in accordance with the academy trustees' (governors) induction document. Trustees (governors) enjoy membership of the Manchester Governors' Association (MGA). Regular training is provided by academy staff; the School Improvement Partner (SIP) and external trainers. There is an annual training event for the board of trustees.

Organisational structure

Burnage Academy for Boys began trading on 1 April 2014 and retained the governance and management structure already in place prior to the conversion as this was deemed wholly appropriate to the academy trust's objects.

The board of trustees adopted and delegated responsibilities to a number of sub-committees listed below, which regularly report back to the full board of trustees.

- Achievement Committee (Chair: S Jones)
- Buildings & H&S Committee (Chair: A Scott)
- Finance & Audit Committee (Chair: C Collinson)
- Pay & Staffing Committee (Chair: A Scott)
- Safeguarding Committee (Chair: R Webster)

The leadership structure consists of four levels: The governors/trustees, senior leadership team, (headteacher and deputy headteachers), the leadership group, faculties and department heads.

The key responsibilities of the board of trustees are to determine, in co-operation with the senior leadership team, the strategic vision and ethos of the academy, to hold the academy to account by challenging and monitoring performance particularly regarding the achievement of students, quality of teaching, the quality of the leadership and management and the behaviour of students and safety of both staff and students. The board of trustees is responsible for ensuring financial probity and for acting as a responsible employer. At an operational level they regularly monitor the performance of the headteacher and appoint the headteacher as required.

The senior leadership team (SLT) and leadership group (LG) manage the academy trust and implement the policies laid down by the board of trustees. The board of trustees receives a report from the headteacher at each of its six meetings in the annual cycle, enabling it to monitor the effectiveness of the implementation of its policies on a regular and continuing basis. Members of the SLT and LG are shown on page 1.

The Headteacher leads the SLT and LG and is also the accounting officer. Members of the SLT and LG are responsible for developing and implementing the academy trust's plans in conjunction with agreed vision, ethos and objects of the academy and to do so within an agreed budget as approved by trustees. The SLT has line management responsibilities for the LG and the LG has line management responsibilities for head of faculties/departments, pastoral teams including behaviour teams and support staff such as teaching assistants and administrative staff.

Arrangements for setting pay and remuneration of key personnel management

The board of trustees has responsibility for establishing the school's Pay Policy, ensuring its application in practice and reviewing it on an annual basis. The board of trustees is also responsible for determining the annual pay budget.

The board of trustees has established a Pay and Staffing Committee with delegated responsibility and authority to implement the pay policy on its behalf and to hear any representations concerning decisions made, should these be requested. The members of the Pay and Staffing Committee shall be drawn from the trustees, chair and/or vice-chair.

The board of trustees has also established a Pay Appeal Committee to hear appeals against decisions of the Pay and Staffing Committee concerning the pay of individual members of staff.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The appraiser(s) will make recommendations on the award of PRP points to relevant teachers. The initial recommendations will be moderated by the headteacher to ensure a fair and consistent approach to pay progression within the school, before they are submitted to the Pay and Staffing Committee for them to make pay decisions. In the event that the headteacher considers that a change to the initial pay recommendation is necessary, he/she will discuss this with the appraiser (if this role has been delegated), and then will explain the decision to the individual teacher concerned before it is submitted to the Pay and Staffing Committee. In the case of the headteacher's review, the Pay and Staffing Committee will review the headteacher's performance and award the Performance Related Pay points and set the Individual School Range (ISR).

On an annual basis, the headteacher/deputy head/assistant headteacher's performance will be assessed by the appraiser(s) in order to meet the criteria of 'sustained high quality of performance'. The performance review will need to assess that leadership group members have grown professionally by developing their leadership and (if relevant) teaching expertise.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent of facility time

Percentage of time	Number of employees
0%	1
1%-50%	1
51%-99%	
100%	

Percentage of pay bill spent of facility time

Provide the total cost of facility time	£15,720
Provide the total pay bill	£5,465,758
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.3%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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Related parties and other connected charities and organisations

Burnage Academy for Boys is not connected to any other charity or organisation.

Objectives and activities

Objects and aims

The objects of the academy as laid down in the articles of association are to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

At Burnage Academy for Boys we aim to develop a school where everyone is valued and can achieve success, so enabling them to make a positive contribution to the community.

To this end the activities provide:

- Teaching and learning for all children to ensure they reach their full potential.
- Tracking of pupil progress, especially those eligible for the pupil premium catch up funding, in receipt of free school meals and looked after children.
- Continued professional development opportunities for all staff along with annual performance management.
- Extended school provision including a range of after school activities.
- Promoting community cohesion.

In addition, all learners are motivated to excel, because their needs are met through a policy of inclusion. Students are supported whether they are able and talented or have special educational needs. Moreover, members of the local community are welcome and encouraged to be active participants in the life of the academy.

Public benefit

The academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Vision statement:

Be the Best that we can Be

Our vision is that every boy leaves the school equipped to contribute to the best of his ability to the wider community through his further study, work and attitude to society.

To achieve this, our commitment is to provide outstanding teaching and learning opportunities to enable him to recognise and reach his full potential. The school will also provide throughout each boy's school career a range of cultural, sporting and other enrichment opportunities to enable him to gain a wide variety of experiences and increasing cultural capital.

Within a well-structured, carefully monitored and safe environment, each boy matters as an individual and will learn the importance of mutual respect. They will value those with different interests, outlooks and backgrounds, and contribute to the life of the school.

The school will be a desirable and happy place to work where valued staff are highly trained, engaged and committed to the purpose of the school. Parents and the wider community are welcome and treated as important partners in our work.

Our vision is for all Burnage boys to leave the school capable, confident, respectful young men, compassionate towards others and adopting a healthy lifestyle. Their understanding of the world around them will encourage them to have a zest for self-development, a continuing interest in learning, and the ability and desire to make a positive contribution to society.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

Pupil outcomes and achievements: Key Stage 4

Headline data for 2018 (preliminary)

Year	Basics	Attainment8	Progress8
2015	44%	44	0.27
2016	52%	43	0.16
2017	9-4 = 62% / 9-5 = 41%	42	0.25
2018*	9-4= 60% / 9-5 = 36%	43	0.27

*Provisional – before remarks and 3 additional students

Basics

The 2017 basics measure is not comparable with previous years, as it is the first year of the new 9-1 GCSE grading system for English language, English literature and Maths. The reformed GCSE subjects do not contain A* - G grades, but instead have a 9 scale system, instead of the previous 8 scale system.

We now report on two basics measures: 9-5 (strong pass) and 9-4 (standard pass).

Our results are un-validated until the end of the remark process and will not be confirmed until at least mid-November when ASP is published. ASP replaces RAISE online.

The results published above are a minimum and will only increase with the improved remarks we have already seen.

Attainment8

The Attainment8 figure is, again, not a comparable figure due to the changes in points awarded to 9-1 GCSEs and the point system across all qualifications being different to previous years.

Progress8

This is both the most important measure and the most problematic. It is important because it gives us the truest picture of how well the students learn at our school. It is the most problematic because the way that it is calculated changes year on year. It does allow us to compare our students' progress to students nationally with confidence, but it is less accurate at comparing year to year cohorts.

Our current measure of 0.27 is an *outstanding* result. This means that students made better progress across their best 8 subjects than students nationally. This also includes girls' progress nationally. As girls overall make more progress than boys, this makes our Progress8 measure even more pleasing in reality.

As yet, we have no comparable local or national Progress8 data. This will not be available until ASP is published in November/December.

In the elements of Progress8 that we have a breakdown for, English and Maths were all positive. English = 0.48, and Maths = 0.38. This shows that pupils in BAFB are making more progress than their peers nationally.

However, it is important to note that the official DfE figure for our Progress8 will not be available until ASP is released sometime later this year. We are hopeful that our current Progress8 figure of 0.27 will increase when this is released, due to the fact that some of the students in the initial calculation should be dis-applied from the results.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Pupil recruitment data 2017 -18

Year groups	End of year (Summer 17 Census)	End of year (Summer 18 Census)	Difference (2018 -2017)
Year 7	177	172	-05
Year 8	200	173	-27
Year 9	207	196	-11
Year 10	178	201	23
Year 11	176	168	-08
Total	938	910	-28
Year 11 Leavers	182	174	-8
In Year Leavers	50	46	-4
In Year Admissions	27	44	17

In the academic year 2017/18, we have seen an increase in the in-year admissions (17 more students compared to 2016/17). As an inner city school we still receive a good number of INA (International New Arrivals) hence the relatively high mobility rate, which presents a challenge.

Pupil attendance data

Attendance and behaviour are outstanding and attendance is above the national average.

Attendance and behaviour continue to be good. There were two permanent exclusions in 2017/18.

Headline figures

5 year trend % attendance, authorised and unauthorised absence			
Year	% Authorised	% Unauthorised	% Attendance
2013 – 2014 HT3	2.75	1.7	95.5
2013 – 2014 HT4	2.8	1.5	95.7
2013 – 2014	2.9	1.7	95.3
2014 – 2015 HT4	3.3	1.3	95.4
2015 -2016	3	1	96
2016 -2017 HT5	2.9	1.3	96.1
2017 -2018	5%	1.5%	93.5
2017 -2018 HT5	3.1%	1.2%	95.7%

Attainment

In 2018, 61% of students achieved the basic level of a standard pass (9-4) in English and Maths and 37% achieved the basics level of a strong pass (9-5) in English and Maths.

The Progress8 score was 0.27, which is above average (0.25 in 2017/18).

Comparison with other schools

2018 will be published by November/December 2018.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance

Overall attendance

In 2017, the attendance rate at the academy was 96.1%. The attendance rate has increased by 0.6 percentage points since 2016.

In 2018, the academy recorded a small drop of 0.4% in the overall attendance rate. The small drop in attendance is due to a number of families taking their children abroad during term time, hence the increase in prosecution cases initiated by the academy to reduce in-term absences. In addition, the academy has a cohort of pupils with complex medical needs which we continue to support.

Comparison with other schools

Comparable data with other schools nationally will be available in mid-November/December when ASP is published.

Closing the gap between disadvantaged students (Pupil Premium) and their peers

Disadvantaged pupils (Pupil Premium / PP) = 53 pupils

	A8	%9-5 English language or literature	% 9-5 Maths	% 9 – 4 English language or literature	% 9 – 4 Maths
PP	42.22	60	50	75	65
All	42.59	56	45	74	66

The Attainment 8 scores are very similar for PP students compared to all students.

Attainment in English and Maths is higher for PP students in the 5+ measure and very similar in the 4+ measure.

Key performance indicators

Burnage Academy for Boys opened as an academy in April 2014, in September 2018 an OFSTED was carried out and the academy was judged to be **OUTSTANDING** for overall effectiveness.

Financial key performance Indicators

Analysis of pupil data and test results confirm that the board of trustees has utilised its financial resources, including the Pupil Premium Grant and Year 7 Catch Up Grant, to ensure that most children make good progress.

Academies are now finding that all budgets have been squeezed to the maximum. The ever rising costs of employment are evident each year, with staff costs as a percentage of GAG funding increasing year on year. With the fall in average student numbers in the future, we have found some natural wastage in not renewing temporary contracts and deployment of staff in a more efficient way. This resulted in the overall reduction of staff costs per pupil from £6.2k to £5.8k

The key performance indicators reviewed at trust meetings include financial and quality metrics as in staff costs against ESFA revenue income, FTE teaching staff and support staff, average teacher cost and spend per pupil. A benchmarking exercise is carried out against other schools in the North West region which shows the minimum, maximum and median data. Burnage Academy is in line with the median of North West region of schools. The Finance & Audit Committee monitors income from the ESFA, budget forecasts, cash flow and capital expenditure

Going concern

After making the appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Burnage Academy for Boys opened as an academy in April 2014, in September 2018 OFSTED judged the academy's overall effectiveness to be **OUTSTANDING**.

In the academic year 2017/18, the academy was allocated total funding for educational operations of ESFA grants and local authority grants (restricted revenue) of £6,793,000.

The academy brought forward from 2016/17 surplus balances of £517,000 (unrestricted). £12,000 was used in 2017/18 towards the installation of PC benches in the South Learning Centre, Maths and Science break out areas.

At 31 August 2018 the profit reconciliation accounts show a value of net movement in funds of £37,000 which includes the pension liability. The actuarial valuation as of 31 August 2018 gives a closing position of a net liability of £1,229,000. This year the deficit is slightly lower than the previous year (£1,378,000). However, we should be cautious for impact on future revenue income as we may have to pay more employer contributions to reduce the liability of the Local Government Pension Scheme (LGPS).

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

Most of the academy's income is obtained from the ESFA in the form of recurrent grants. During the year ended 31 August 2018, the expenditure of restricted general funds totalling £7,077,000 was covered by recurrent grant funding from the ESFA.

At 31 August 2018 the value of net current assets was £773,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the children of the academy.

Overall the academy has a healthy balance sheet and cashflow and will be using reserves to maintain the current assets and to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. This will ensure sufficient funds to cover unexpected emergencies and urgent maintenance. As at 31 August 2018, the academy's level of free unrestricted reserves was £773,000 which is an increase of £256,000 from 31 August 2017. The total net restricted fixed asset funds were £19,146,000. The total reserves as at 31 August 2018 (excluding the pension reserve deficit of £1,229,000), was £19,919,000, which is considered sufficient in accordance with the academy's reserves policy. The Finance & Audit Committee approved the current level of £773,000. This level of reserve will allow the academy to restructure activities to a level that would be appropriate for the reduced amount of GAG income in the event of the introduction of the National Funding Formula and falling pupil numbers. However, the governors are aiming to reduce this level to no more than 5% of the overall revenue funding.

Investment policy

An investment policy was approved in October 2015. In accordance with the investment policy, monies surplus to the working requirements shall be invested in term deposits with credible financial institutions. With respect to its cash holdings, the board of trustees has adopted a low risk strategy. In addition to the main current account, the academy will be maintaining an instant access deposit account to ensure that adequate funds are available in the current account whilst maintaining a balance in the deposit account – whenever favourable interest rates are available. The academy will not take out any long term investments until a reliable cash flow pattern has been established, monies will only be paid in tranches of no more than £60,000 and into term deposits not exceeding six months.

Principal risks and uncertainties

A risk register which is maintained at the academy is reviewed at least annually by school, management and the Finance and Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Outlined below is a description of the principal risk factors that may affect the academy. Not all the factors are within the academy's control. Other factors besides those listed below may also adversely affect the academy.

Government funding

The academy has considerable reliance on continued government funding through the ESFA. There can be 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.

This risk is mitigated in a number of ways:

- by ensuring the academy is rigorous in delivering high quality educational training; and
- considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme Deficit on the academy's balance sheet in line with the requirements of FRS102.

Fundraising

Burnage Academy for Boys is an exempt charity as per the Academies Act 2010 with the Secretary of State for Education as the principal regulator and a company limited by guarantee registered in England and Wales.

We exist to provide teaching resources and facilities to meet the educational needs of the pupils on roll. Money raised for charitable events is audited annually and reported to the Finance & Audit Committee.

During the financial year 2017/18 we raised and donated a total of £1,060 cash. This money has been raised by various activities within school. We also contribute to local foodbanks and in return we receive vouchers to provide food to pupils and their families who are in desperate need. When considering where to focus our attention, the board of trustees has regard to the Charity Commission's guidance on public benefit.

This year the school has raised and donated to the following causes:

- Rohingya appeal £220
- Christies £321
- Sports Relief Day £123
- Bobby Moore £140
- Francis House £268
- Children in Need £40
- Water Aid £88

Our aim is to continue raising and donating to good causes.

Plans for future periods

Burnage Academy for Boys opened as an academy in April 2014, in September 2018 OFSTED judged the academy's overall effectiveness to be **OUTSTANDING**.

The academy will continue to ensure the progress and attainment of our disadvantaged pupils is at least in line with their peers. We will monitor and support the progress of SEN pupils in the main stream classes and continue to embed outstanding pedagogy to support pupil progress and outcomes across all groups.

The school plans to develop its staffing and curriculum offer to better suit the needs of the intake. This will have to be done within the current budgets.

Our school development plan clearly outlines the immediate future plans.

BURNAGE ACADEMY FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps 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.

Under Section 487(2) of the Companies Act 2006 Haines Watts will be deemed to have been reappointed as auditor 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing accounts with the registrar, whichever is earlier.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees (governors), as the company directors, on 19 November 2018 and signed on the board's behalf by:

.....
A Scott

Chair of trustees

BURNAGE ACADEMY FOR BOYS

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Burnage Academy for Boys 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 mis-statement or loss.

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

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of governors/trustees was as follows:

Governors			Sub-Committees				
Name	Type & Role	GB	Pay & Staffing	Achievement	Buildings and H&S	Safeguarding	Finance & Audit
Ian Fenn	Headteacher -Accounting Officer	5/6	3/3		2/2	1/2	4/4
Colin Collinson	Chair of Finance & Audit Committee (Community)	5/6	3/3				4/4
Khan Moghal (MBE)	Member of Finance & Audit Committee (Community)	6/6	3/3				4/4
Alan Scott	Chair of Governing Body Chair of Buildings & H&S Committee (Community)	6/6	3/3	3/3	2/2	1/2	4/4
Steve Jones	Vice Chair of Governing Body (Community)	4/6		3/3			
Jenny Fox	Member of GB (Community)	5/6					
Nicole Elliott	Member of GB (Community)	5/6					
Colette Meyer	Member of GB (Community)	5/6					
Roz Webster	Chair of Safeguarding Committee (Community)	3/6				1/2	
Cllr Carl Austin	Member of GB (LA)	2/6					
Kate McGuinness	Member of Buildings and H&S Committee (Support Staff)	5/6			2/2		
Elmira Simaei	Member of GB (Teaching Staff)	3/6					
Jack Shepherd	Member of GB (Teaching Staff)	6/6					
Ali Bokhari	Member of Achievement Committee (Parent)	3/6		3/3			1/4
Shaufata Ishaq	Member of GB (Parent)	6/6					
Nagina Zafar	Member of GB (Parent)	5/6					

BURNAGE ACADEMY FOR BOYS
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

The Finance and Audit Committee is a sub-committee of the main board of trustees (governors). Its purpose is:

1. To set up a new financial system as an academy.
2. To ensure that internal controls and systems are adequate and effective.
3. To manage the relationship with the external auditors.
4. To consider reports and recommendations from the external auditor.
5. To ensure that the annual financial statements can be recommended to the board of trustees for approval.
6. To review annually statutory audit/regularity audit/self-assessment of financial management and governance.

The Finance and Audit Committee has formally met 4 times during the period 1 September 2017 to 31 August 2018. Attendance during the period at meetings was as follows:

Finance & Audit Committee	Date of appointment	Meetings attended	Out of a possible
Ian Fenn (Accounting officer)	1 April 2014	4	4
Colin Collinson (Chair)	1 April 2014	4	4
Khan Moghal	1 April 2014	4	4
T Merzougui (Co-opted/Chief finance officer)	1 April 2014	4	4
Dr A Bokhari	15 January 2015	1	4
Alan Scott	September 2016	4	4
Ann Silcock (Business support manager)	April 2018	2	4

Governance performance

In the recent OFSTED inspection the governors were found to be effective and that senior leaders and governors work closely together. This enables governors to have a detailed understanding of the school and to challenge leaders effectively

OFSTED report

Governance in the school is well organised. Governors meet regularly, often in committees concentrating on particular aspects of the school. Senior leaders are involved in governors' work, which gives governors the information they need for their sharp scrutiny. Minutes of governing body meetings demonstrate the clarity of their questioning about how the school operates. For example, they carefully considered advantages and disadvantages of the recent change of the school day to include fewer, longer lessons. This type of approach adds to the effective challenge to leaders provided by the governing body and so has allowed governors to add to the school's improvement.

While recognising the financial pressure on the school, governors ensure that the available funds are properly spent. They check whether additional funding, including to support disadvantaged pupils, and to help pupils who join the school lagging behind others and those who have special educational needs (SEN) and/or disabilities, is being used effectively. They are well informed about the outcomes of different groups of pupils.

In addition the board of trustees has undertaken its own assessment and effectiveness through a skills matrix exercise. This was followed by a training session held by a former national challenge advisor.

In assessing effectiveness of financial performance, curriculum delivery and pupil attainment, governors use the DfE data sets and ESFA benchmarking.

BURNAGE ACADEMY FOR BOYS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

As accounting officer of Burnage Academy for Boys the headteacher is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Set out below is how the accounting officer has ensured that the academy trust's use of its resources has provided good value for money during the academic year.

The academy's priorities

The academy has in place a strategy and a set of guidelines, updated annually, which will ensure that *Best Value* will be reviewed and demonstrated. The academy's priorities for the year are:

- Priority 1: To raise achievement for all pupils
- Priority 2: To ensure that all children are well behaved and are safe
- Priority 3: To improve the leadership and management of the school
- Priority 4: To ensure that governance at Burnage Academy for Boys will be judged Outstanding according to OFSTED criteria

These priorities link with the headteacher's targets:

- Devise and implement a strategy to improve reading so that all children without a diagnosed specific learning difficulty or significant EAL needs are on a trajectory to read at their chronological reading age by the end of Year 10.
- Adjust and develop our strategies and procedures so that any emerging gang related issues are addressed and reversed.
- Every boy in the school will make better than expected progress.

The principles of best value

The academy will apply the four principles of best value:

- Challenge – Are the outcomes for children good enough? Are we providing what is most needed by the children and their families? Are we deploying our resources most effectively?
- Compare – How does the academy compare when benchmarked against other maintained schools and academies of a similar nature?
- Consult – How does the academy seek the views of its stakeholders about the services we provide?
- Compete – How does the academy secure efficient, effective and economical services?

Furthermore, trustees will support school management in bringing improvement in the following areas:

Use of resources

- The deployment of equipment, materials and services to provide pupils and staff with resources, which support the quality of teaching and the quality of learning.

Personal development and well-being

- Ensuring that appropriate nutritional standards are met and students understand and support healthy eating.
- Developing the students' awareness of staying safe in and out of the school environment.
- Involving the student body in becoming resilient against all forms of extremism.
- Evaluating our pedagogy and its impact on learners.

The quality of provision

- A review of the curriculum to develop further opportunities for enrichment.
- Better training and induction programmes for the SEN support staff (learning assistants).
- Greater monitoring and evaluation of support in the classroom especially EAL and SEN.

BURNAGE ACADEMY FOR BOYS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Leadership and management

- To improve the effectiveness of leadership and management across the school until it is consistently outstanding.
- To embed and develop our alternative curriculum provision as an aid to social inclusion.
- To ensure that the academy continues to have outstanding accommodation and adequate resources for the staff.
- To make self-evaluation systemic, objective and in phase with the academy's planning cycles.

Moreover, trustees and school managers:

- will not waste time in pursuit of minor improvements or savings when it is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

- Trustees and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, and curriculum management.

Use of premises

- Trustees and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to sports facilities. This is to be done with proper regard to cost and income generation.

Teaching

Trustees and school managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which adequately meets the needs of pupils and references the National Curriculum; and
- teaching which builds on previous learning and has high expectations of children's achievement.

Learning

Trustees and school managers will review the quality of children's learning by cohort, class and group, to provide teaching which enables children to achieve and even excel nationally expected levels of progress at both key stages.

Purchasing

Trustees and school managers will continue developing procedures for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- Competitive tendering procedures.
- Procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship).

Pupils' welfare

Trustees and school managers will continue reviewing the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

They will ensure that resources are deployed to provide adequate and appropriate staffing to care for the children appropriately.

Health and safety

Trustees and school managers will continue reviewing the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

BURNAGE ACADEMY FOR BOYS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the headteacher and curriculum managers e.g. classroom practice, work sampling.
2. Half-termly progress review meetings between the LG and curriculum managers.
3. Annual budget planning.
4. Headteacher's financial review reports - termly.
5. Regular visits by an external finance/budget officer and internal auditor.
6. Analysis of school pupil performance data e.g. results, KS3 and KS4 results against all schools, LA schools, similar schools and academies.
7. Analysis of financial data against benchmark data for all schools, similar schools and academies.
8. Analysis of DfE pupil performance data, ASP.
9. OfSTED inspection reports, where applicable.
10. Reviewers' and LG termly classroom observations.
11. Trustees' termly committee meetings.
12. Trustees' full termly meetings.
13. Trustees' annual finance review.
14. Trustees' annual Key Stage 3 and GCSEs target setting meetings.

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees (governors).

The risk and control framework

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

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

In addition to the above, the board of trustees has appointed Redrambler Ltd to undertake the specific internal audit function which consisted of providing independent assurance over key financial and governance controls. The Internal Audit Plan for 2017/18 provided an audit of governance, including financial reporting, and core financial systems that best meet our current academy's needs.

BURNAGE ACADEMY FOR BOYS
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

The internal audit plan's objective for 2017/18 was to provide assurance over the adequacy, application and effectiveness of governance and financial control systems operating at Burnage Academy for Boys, and specifically to ensure that:

- Governance arrangements support effective delivery of delegated financial responsibilities and decision making, including financial reporting to trustees;
- the financial management framework including budget setting and budget monitoring arrangements support effective and efficient use of resources;
- expenditure controls support achievement of Best Value and transparent decision making and minimise the risk of the inappropriate use of funds; and
- income collection and recording is complete and accurate, with appropriate allocation of roles and responsibilities.

On a termly basis, the internal auditor reports to the board of trustees, through the Finance and Audit Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

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

- the work of the responsible officer;
- the work of the external auditor; and
- the work of the finance and HR staff within the academy trust who have responsibility for the development and maintenance on the internal control framework.

The accounting officer has been advised of the implications of the results of their review of the system of internal control by the Finance and Audit Committee and a plan to enhance current internal financial control and ensure continuous improvement of the systems is in place.

Approved by the order of the members of the board of trustees on 19 November 2018 and signed on its behalf by:

.....
A Scott
Chair of trustees

.....
I Fenn
Accounting officer

BURNAGE ACADEMY FOR BOYS

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Burnage Academy for Boys I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

.....

I Fenn
Accounting officer

Date

BURNAGE ACADEMY FOR BOYS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Burnage Academy for Boys for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the 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.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the 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

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

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

.....
A Scott
Chair of trustees

BURNAGE ACADEMY FOR BOYS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNAGE ACADEMY FOR BOYS

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees 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.

BURNAGE ACADEMY FOR BOYS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNAGE ACADEMY FOR BOYS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report 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 trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

BURNAGE ACADEMY FOR BOYS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNAGE ACADEMY FOR BOYS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

.....

John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date:

BURNAGE ACADEMY FOR BOYS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURNAGE ACADEMY FOR BOYS AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 25 July 2014 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 Burnage Academy for Boys 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 Burnage Academy for Boys and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Burnage Academy for Boys 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 Burnage Academy for Boys and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Burnage Academy for Boys' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Burnage Academy for Boys' funding agreement with the Secretary of State for Education dated 5 February 2014 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.

BURNAGE ACADEMY FOR BOYS

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

FOR THE YEAR ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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.

.....
Haines Watts
Reporting Accountant

Dated:

BURNAGE ACADEMY FOR BOYS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	3	-	-	20	20	20
Charitable activities:						
- Funding for educational operations	4	-	6,793	-	6,793	6,734
Other trading activities	5	293	-	-	293	295
Total		<u>293</u>	<u>6,793</u>	<u>20</u>	<u>7,106</u>	<u>7,049</u>
Expenditure on:						
Raising funds	6	18	-	-	18	16
Charitable activities:						
- Educational operations	7	7	7,077	400	7,484	7,553
Total	6	<u>25</u>	<u>7,077</u>	<u>400</u>	<u>7,502</u>	<u>7,569</u>
Net income/(expenditure)		268	(284)	(380)	(396)	(520)
Transfers between funds	15	(12)	-	12	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	433	-	433	400
Net movement in funds		256	149	(368)	37	(120)
Reconciliation of funds						
Total funds brought forward		517	(1,378)	19,514	18,653	18,773
Total funds carried forward		<u>773</u>	<u>(1,229)</u>	<u>19,146</u>	<u>18,690</u>	<u>18,653</u>

BURNAGE ACADEMY FOR BOYS

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		19,146		19,514
Current assets					
Debtors	12	182		217	
Cash at bank and in hand		690		422	
		<u>872</u>		<u>639</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(99)		(122)	
Net current assets			<u>773</u>		<u>517</u>
Net assets excluding pension liability			19,919		20,031
Defined benefit pension scheme liability	20		<u>(1,229)</u>		<u>(1,378)</u>
Net assets			<u>18,690</u>		<u>18,653</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			19,146		19,514
- Pension reserve			<u>(1,229)</u>		<u>(1,378)</u>
Total restricted funds			17,917		18,136
Unrestricted income funds	15		<u>773</u>		<u>517</u>
Total funds			<u>18,690</u>		<u>18,653</u>

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

.....
A Scott
Chair or trustees

Company Number 08921898

BURNAGE ACADEMY FOR BOYS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £000	£000	2017 £000	£000
Cash flows from operating activities					
Net cash provided by operating activities	18		280		122
Cash flows from investing activities					
Capital grants from DfE Group		20		20	
Purchase of tangible fixed assets		(32)		(84)	
Net cash used in investing activities			(12)		(64)
Net increase in cash and cash equivalents in the reporting period			268		58
Cash and cash equivalents at beginning of the year			422		364
Cash and cash equivalents at end of the year			690		422

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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 the 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. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

Long leasehold land	Nil
Long leasehold buildings	50 years straight line
Building improvements	10 years straight line
Fixtures, fittings & equipment	10 years straight line
Computer equipment	3 years straight line
Motor vehicles	4 years straight line

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

1.10 Pensions benefits

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

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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

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.

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

1.11 Fund accounting

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

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

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

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	20	20	20

The income from donations and capital grants was £20,000 (2017: £20,000) of which £20,000 was restricted fixed assets (2017: £20,000).

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General annual grant (GAG)	-	6,220	6,220	6,101
Other DfE group grants	-	398	398	429
	<u>-</u>	<u>6,618</u>	<u>6,618</u>	<u>6,530</u>
Other government grants				
Local authority grants	-	170	170	204
Special educational projects	-	5	5	-
	<u>-</u>	<u>175</u>	<u>175</u>	<u>204</u>
Total funding	<u>-</u>	<u>6,793</u>	<u>6,793</u>	<u>6,734</u>

The income from funding for educational operations was £6,793,000 (2017: £6,734,000) of which £6,793,000 was restricted (2017: £6,734,000).

The academy trust received £170,000 from the local authority in the year, being £157,000 high needs funding, £7,000 music grant, and £6,000 for Looked After Children.

There were no unfulfilled conditions or other contingencies relating to the grants received during the year.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	120	-	120	111
Catering income	123	-	123	135
Other income	50	-	50	49
	<u>293</u>	<u>-</u>	<u>293</u>	<u>295</u>

The income from other trading activities was £293,000 (2017: £295,000) of which £293,000 was unrestricted (2017: £295,000).

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds					
- Direct costs	-	-	18	18	16
Academy's educational operations					
- Direct costs	4,644	360	491	5,495	5,568
- Allocated support costs	1,323	369	297	1,989	1,985
	<u>5,967</u>	<u>729</u>	<u>806</u>	<u>7,502</u>	<u>7,569</u>

The expenditure on raising funds was £18,000 (2017: £16,000) of which £18,000 was unrestricted (2017: £16,000).

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Fees payable to auditor for:		
- Audit	12	6
- Other services	1	2
Operating lease rentals	11	11
Depreciation of tangible fixed assets	400	393
Net interest on defined benefit pension liability	37	34
	<u>473</u>	<u>476</u>

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Direct costs				
Educational operations	(75)	5,570	5,495	5,568
Support costs				
Educational operations	82	1,907	1,989	1,985
	<u>7</u>	<u>7,477</u>	<u>7,484</u>	<u>7,553</u>

The expenditure on educational operations was £7,484,000 (2017: £7,553,000) of which £7,000 was unrestricted (2017: £120,000), £7,077,000 was restricted (2017: £7,040,000) and £400,000 was restricted fixed assets (2017: £393,000).

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7	Charitable activities		
	Analysis of costs	2018	2017
		£000	£000
	Direct costs		
	Teaching and educational support staff costs	4,601	4,586
	Staff development	43	52
	Depreciation	360	354
	Educational supplies and services	491	576
		<u>5,495</u>	<u>5,568</u>
	Support costs		
	Support staff costs	1,323	1,264
	Depreciation	40	39
	Maintenance of premises and equipment	279	330
	Rent, rates and other occupancy costs	28	42
	Insurance	22	22
	Security and transport	5	4
	Catering	82	97
	Interest on defined benefit pension scheme	37	34
	Other support costs	127	85
	Governance costs	46	68
		<u>1,989</u>	<u>1,985</u>
8	Staff		
	Staff costs		
	Staff costs during the year were:	2018	2017
		£000	£000
	Wages and salaries	4,355	4,348
	Social security costs	428	423
	Pension costs	910	875
		<u>5,693</u>	<u>5,646</u>
	Staff costs	5,693	5,646
	Agency staff costs	172	143
	Staff restructuring costs	52	33
	Staff development and other staff costs	50	55
		<u>5,967</u>	<u>5,877</u>
	Total staff expenditure	<u>5,967</u>	<u>5,877</u>
	Staff restructuring costs comprise:		
	Redundancy payments	6	-
	Severance payments	46	33
		<u>52</u>	<u>33</u>

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Staff

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £51,902 (2017: £32,852). Individually, the payments were: £5,868 made on 16/01/18, £22,039 made on 15/12/17 and £23,995 made on 15/12/17.

Staff numbers

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

	2018	2017
	Number	Number
Teachers	72	77
Administration and support	74	80
Management	8	8
	<u>154</u>	<u>165</u>

Higher paid staff

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

	2018	2017
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
£120,001 - £130,000	1	1
	<u>3</u>	<u>3</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £738,481 (2017: £712,076).

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration was as follows:

I Fenn (Headteacher)

Remuneration £120,000 - £125,000 (2017: £120,000 - £125,000)

Employer's pension contributions £20,000 - £25,000 (2017: £15,000 - £20,000)

J Shepherd (Staff trustee)

Remuneration £35,000 - £40,000 (2017: £nil - £5,000 - on sabbatical leave for the year)

Employer's pension contributions £10,000 - £15,000 (2017: £nil - £5,000 - on sabbatical leave)

K McGuinness (Staff trustee)

Remuneration £25,000 - £30,000 (2017: £20,000 - £25,000)

Employer's pension contributions £nil - £5,000 (2017: £nil - £5,000)

M Saleem (Staff trustee - resigned 19/09/17)

Remuneration £nil - £5,000 (2017: £35,000 - £40,000)

Employer's pension contributions £nil - £5,000 (2017: £5,000 - £10,000)

E Simaei (Staff trustee)

Remuneration £25,000 - £30,000 (2017: £25,000 - 30,000)

Employer's pension contributions £nil - £5,000 (2017: £nil - £5,000)

During the year ended 31 August 2018, travel and subsistence and other academy expenses totalling £388 (2017: £15) were reimbursed to 1 trustee (2017: 1 trustee).

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

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets

	Land and buildings	improvements	Building	Fixtures, fittings & equipment	Motor vehicles	Total
	£000		£000	£000	£000	£000
Cost						
At 1 September 2017	20,543		94	209	2	20,848
Additions	-		-	32	-	32
At 31 August 2018	20,543		94	241	2	20,880
Depreciation						
At 1 September 2017	1,252		14	66	2	1,334
Charge for the year	368		9	23	-	400
At 31 August 2018	1,620		23	89	2	1,734
Net book value						
At 31 August 2018	18,923		71	152	-	19,146
At 31 August 2017	19,291		80	143	-	19,514

The net book value of land and buildings comprises:

	2018 £000	2017 £000
Long leaseholds (over 50 years)	18,821	19,191

12 Debtors

	2018 £000	2017 £000
Trade debtors	12	18
VAT recoverable	49	55
Other debtors	61	65
Prepayments and accrued income	60	79
	182	217

13 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	10	45
Accruals and deferred income	89	77
	99	122

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Deferred income	2018 £000	2017 £000
Deferred income is included within:		
Creditors due within one year	37	-
Deferred income at 1 September 2017	-	-
Resources deferred in the year	37	-
Deferred income at 31 August 2018	37	-

At the balance sheet date the academy trust was holding funds of £33,672 received in advance for GAG rates relief relating to the 2019 academic year and funds of £3,113 repayable to the Local Authority in relation to an excluded pupil.

15 Funds	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	6,220	(6,220)	-	-
Other DfE / ESFA grants	-	398	(398)	-	-
Other government grants	-	175	(175)	-	-
Pension reserve	(1,378)	-	(284)	433	(1,229)
	<u>(1,378)</u>	<u>6,793</u>	<u>(7,077)</u>	<u>433</u>	<u>(1,229)</u>
Restricted fixed asset funds					
Transfer on conversion	19,269	-	(379)	-	18,890
DfE group capital grants	56	20	(20)	-	56
Private sector capital sponsorship	189	-	(1)	12	200
	<u>19,514</u>	<u>20</u>	<u>(400)</u>	<u>12</u>	<u>19,146</u>
Total restricted funds	<u>18,136</u>	<u>6,813</u>	<u>(7,477)</u>	<u>445</u>	<u>17,917</u>
Unrestricted funds					
General funds	517	293	(25)	(12)	773
	<u>517</u>	<u>293</u>	<u>(25)</u>	<u>(12)</u>	<u>773</u>
Total funds	<u>18,653</u>	<u>7,106</u>	<u>(7,502)</u>	<u>433</u>	<u>18,690</u>

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

A transfer between restricted fixed asset funds and unrestricted funds has been made to match the costs incurred.

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	68	6,101	(6,169)	-	-
Other DfE / ESFA grants	-	429	(429)	-	-
Other government grants	-	204	(204)	-	-
Pension reserve	(1,540)	-	(238)	400	(1,378)
	<u>(1,472)</u>	<u>6,734</u>	<u>(7,040)</u>	<u>400</u>	<u>(1,378)</u>
Restricted fixed asset funds					
Transfer on conversion	19,649	-	(379)	(1)	19,269
DfE group capital grants	43	20	(8)	1	56
Private sector capital sponsorship	131	-	(6)	64	189
	<u>19,823</u>	<u>20</u>	<u>(393)</u>	<u>64</u>	<u>19,514</u>
Total restricted funds	<u>18,351</u>	<u>6,754</u>	<u>(7,433)</u>	<u>464</u>	<u>18,136</u>
Unrestricted funds					
General funds	422	295	(136)	(64)	517
Total funds	<u>18,773</u>	<u>7,049</u>	<u>(7,569)</u>	<u>400</u>	<u>18,653</u>

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	68	12,321	(12,389)	-	-
Other DfE / ESFA grants	-	827	(827)	-	-
Other government grants	-	379	(379)	-	-
Pension reserve	(1,540)	-	(522)	833	(1,229)
	<u>(1,472)</u>	<u>13,527</u>	<u>(14,117)</u>	<u>833</u>	<u>(1,229)</u>
Restricted fixed asset funds					
Transfer on conversion	19,649	-	(758)	(1)	18,890
DfE group capital grants	43	40	(28)	1	56
Private sector capital sponsorship	131	-	(7)	76	200
	<u>19,823</u>	<u>40</u>	<u>(793)</u>	<u>76</u>	<u>19,146</u>
Total restricted funds	<u>18,351</u>	<u>13,567</u>	<u>(14,910)</u>	<u>909</u>	<u>17,917</u>
Unrestricted funds					
General funds	<u>422</u>	<u>588</u>	<u>(161)</u>	<u>(76)</u>	<u>773</u>
Total funds	<u>18,773</u>	<u>14,155</u>	<u>(15,071)</u>	<u>833</u>	<u>18,690</u>

16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	19,146	19,146
Current assets	872	-	-	872
Creditors falling due within one year	(99)	-	-	(99)
Defined benefit pension liability	-	(1,229)	-	(1,229)
Total net assets	<u>773</u>	<u>(1,229)</u>	<u>19,146</u>	<u>18,690</u>

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	19,514	19,514
Current assets	639	-	-	639
Creditors falling due within one year	(122)	-	-	(122)
Defined benefit pension liability	-	(1,378)	-	(1,378)
Total net assets	517	(1,378)	19,514	18,653

17 Commitments under operating leases

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

	2018 £000	2017 £000
Amounts due within one year	-	11

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

	2018 £000	2017 £000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(396)	(520)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(20)	(20)
Defined benefit pension costs less contributions payable	247	204
Defined benefit pension net finance cost	37	34
Depreciation of tangible fixed assets	400	393
Decrease/(increase) in debtors	35	(8)
(Decrease)/increase in creditors	(23)	39
Net cash provided by operating activities	280	122

19 Members' liability

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

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 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 period.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 real earnings growth is assumed to be 2.75%. The assumed nominal rate of return 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 1 April 2019.

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

The pension costs paid to the TPS in the year amounted to £437,547 (2017: £443,390).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.1% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £226,000.

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

Total contributions made	2018	2017
	£000	£000
Employer's contributions	226	226
Employees' contributions	76	73
	<hr/>	<hr/>
Total contributions	302	299
	<hr/>	<hr/>

Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.2	3.2
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
	<hr/>	<hr/>

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

	2018	2017
	Years	Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	26.2	26.2
	<hr/>	<hr/>

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

Sensitivity analysis

Changes in assumptions at 31 August 2018	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	591
0.5% increase in the Salary Increase Rate	2%	104
0.5% increase in the Pension Increase Rate	11%	478

The academy trust's share of the assets in the scheme	2018 Fair value £000	2017 Fair value £000
Equities	2,210	2,055
Bonds	520	450
Property	228	169
Other assets	292	141
	<u>3,250</u>	<u>2,815</u>
Total market value of assets	<u>3,250</u>	<u>2,815</u>

The actual return on scheme assets was £161,000 (2017: £448,000).

Amount recognised in the Statement of Financial Activities	2018 £000	2017 £000
Current service cost	473	430
Interest income	(74)	(47)
Interest cost	111	81
	<u>510</u>	<u>464</u>
Total operating charge	<u>510</u>	<u>464</u>

Changes in the present value of defined benefit obligations	2018 £000	2017 £000
At 1 September 2017	4,193	3,646
Current service cost	473	430
Interest cost	111	81
Employee contributions	76	73
Actuarial (gain)/loss	(346)	1
Benefits paid	(28)	(38)
	<u>4,479</u>	<u>4,193</u>
At 31 August 2018	<u>4,479</u>	<u>4,193</u>

BURNAGE ACADEMY FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

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

	2018	2017
	£000	£000
At 1 September 2017	2,815	2,106
Interest income	74	47
Actuarial gain	87	401
Employer contributions	226	226
Employee contributions	76	73
Benefits paid	(28)	(38)
	<hr/>	<hr/>
At 31 August 2018	3,250	2,815
	<hr/>	<hr/>

21 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 academy trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period:

S Fenn, daughter of I Fenn, a trustee, is employed by the academy trust as a teaching assistant. S Fenn's appointment was made in open competition and I Fenn was not involved in the decision making process regarding appointment. S Fenn is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.