

REGISTERED COMPANY NUMBER: 08426967 (England and Wales)

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2015
FOR
BIRCHWOOD COMMUNITY ACADEMY TRUST

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2015

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BIRCHWOOD COMMUNITY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

MEMBERS

A Atherton
A Paton
D Ost
B Evans
C Burrows

TRUSTEES

A Atherton (Chair)
A Paton (Vice Chair)
D Ost
B Evans
C Burrows
T Coles
B Sanson (resigned July 2015)
R Panting
G Hughes
P Taylor
N Reeves
J Evans
R Agnew (resigned October 2014)
A Lindsay
L Gilchrist
C Dore (resigned February 2015)
T Lynskey
A Bright (Headteacher until 31 August 2015)
M Bryan (Headteacher from 1 September 2015)

COMPANY SECRETARY

Mrs J Calderbank

SENIOR LEADERSHIP TEAM

Headteacher	A Bright (until 31 August 2015)
Deputy Headteacher	M Bryan (until 31 August 2015)
Assistant Headteacher	J Roscow
Assistant Headteacher	R Ellwood
Assistant Headteacher	R Grimmer
Assistant Headteacher	J Burnham
Schools Accounts Manager	A McNicholas (until November 2015)
Director Finance, Health & Safety	R Johnson

REGISTERED OFFICE

Brock Road
Birchwood
Warrington
Cheshire
WA3 7PT

REGISTERED COMPANY NUMBER 08426967 (England and Wales)

BIRCHWOOD COMMUNITY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

AUDITORS

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

BANKERS

Lloyds TSB Bank Plc
1 Horsemarket Street
Warrington
WA1 1TP

SOLICITORS

Browne Jacobson LLP
Ground Floor
3 Piccadilly Place
M1 3BN

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period from 1 September 2014 to 31 August 2015.

Structure, Governance and Management

Introduction

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

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

Members

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

Governors

The Governors are responsible for 3 core strategic functions:

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

Constitution

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

The trustees of Birchwood Community Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Birchwood Community Academy Trust. Details of the trustees who served during the period are included in the Reference and Administrative section of the financial statements found on page 3.

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 trustee, or within one year after they cease to be a trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provision of the Companies Act 2006, every Governor or other officer of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. The insurance provides cover up to £1,000,000 on any one claim and the costs for the period ended 30 June 2015 was £685.11.

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

Principal Activities

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

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

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

The Governors who were in office at 31 August 2015 and who served during the period are included in the Reference and Administrative section the financial statements found on page 3.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

There are seven sub-committees;

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

All committees have approved terms of reference.

During the course of the period to 31 August 2015 the full Governing Body met 5 times.

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

The Teacher who was the Academy Trust's Accounting Officer was Ms Anne Bright. Ms Bright retired on 31 August 2015 and replaced by Mrs M Bryan. Members of the SLT are responsible for developing and implementing Academy Trust plans that seek to deliver the best possible outcomes for its learners and students within the agreed budget and scheme of delegation approved by Governors. The School's Accounts Manager is responsible for financial management. The Director of Facilities, Health and Safety is responsible for the supporting IT, premises and contract management. Members of the SLT are set out on page 3.

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

Connected Organisations including Related Party Relationships

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

Objectives and Activities

Objects and Aims

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

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

Objectives, Strategies and Activities

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

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

Principal and objectives for the period September 2014 – August 2015

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

Priorities for the period

- School Priority 1: To increase the progress of learners and students so that they make at least expected progress
- School Priority 2: To increase the proportion of Outstanding Teaching in the school and College (Ofsted 2012 key issue)
- School Priority 3: To provide high quality professional learning to all staff that impacts on progress, teaching and learning

Equal Opportunities Policy

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

Disabled Persons

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

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

Public Benefit

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievements and Performance

Birchwood College Post-16 Outcomes

Level 3 BTEC Results 2015 (ALPS and Level 3 Value Added)

- The BTEC subjects are a strength in the College and results are consistently outstanding and there continues to be an increasing trend upwards to the highest grades.
- Out of the 9 subjects qualified for the red section on ALPS (Music, Performing Arts, Public Services, Applied Science, Business, IT, Sport).
- Music and Performing Arts achieved 100% Distinction*.
- The remaining other subject Health and Social qualified in the black thermometer on the cusp of the red section.
- The Level 3 Value Added report for BTEC 2015 was 0.31 which had a statistical significance of above average.

Level 3 BTEC Results	2013		2014		2015	
Subject	Score	Grade	Score	Grade	Score	Grade
Sub Dip Applied Science	-	-	0.80	5	1.04	3
Sub Dip Business	-	-	0.71	6	1.03	3
Sub Dip Health & Social	-	-	-	-	0.96	4
Sub Dip IT	-	-	0.78	6	1.43	1
Sub Dip Music Performing	1.23	2	1.24	2	1.15	2
Sub Dip Performing Arts	-	-	1.14	2	-	-
Sub Dip Perf Arts (Acting)	1.11	1	-	-	1.23	2
Sub Dip Public Services	0.82	4	1.15	2	0.83	3
Sub Dip Sport	0.76	5	-	-	1.20	2
Dip Music	-	-	-	-	-	-
Dip Public Services (non-u)	0.89	3	-	-	-	-
Dip Public Services (unif)	0.81	4	-	-	-	-
Dip Sport & Exercise	-	-	0.97	4	-	-
Dip Sport (Dev, Coach, Fit)	1.38	1	-	-	1.33	1
Ext Dip Sport & Exercise	-	-	0.91	5	-	-
Ext Dip Sport (Dev, C & F)	1.11	2	-	-	1.01	3
**Old Cert Sport (Dev...)	-	-	-	-	1.23	2

A-Level Results 2015 (ALPS and L3VA)

- There were only 27 A-level exams taken in total in 2015.
- At A-Level the College achieved 100% A-E pass rate and 67% A-C.
- History qualified in the red section of the ALPS thermometer and four subjects in the black section of the thermometer (Biology, Law, PE and Psychology).
- Our ALPS three year T score has remained consistent scoring 4.78 overall and our quality and breadth indicator for students completing at least two A levels scores a 3 which is red on the thermometer.
- Our 2015 Level 3 Value added score for A2 was -0.14 which was not statistically significant.

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

A-Level Results	2013		2014		2015	
Subject	Score	Grade	Score	Grade	Score	Grade
A - Art & Design	-	-	-	-	0.90	7
A – Biology	-	-	0.94	3	0.81	6
A - Business Studies	1.09	3	1.05	3	-	-
A – Chemistry	-	-	1.12	1	-	-
A - English Literature	1.05	3	0.95	5	0.79	8
A – Geography	1.33	1	1.16	1	0.85	8
A – History	0.73	8	0.95	5	1.31	1
A – Law	0.54	8	1.02	3	0.97	5
A – Mathematics	-	-	-	-	0.62	9
A - Mathematics (MEI)	0.91	6	1.02	3	-	-
A - Physical Education	1.01	3	1.01	3	0.89	5
A – Physics	0.67	8	0.67	8	-	-
A – Psychology	0.94	5	0.94	5	0.95	4
**EPQ – Extended Project	0.90	6	0.90	6	0.81	7

Overall trend of 11-16 outcomes

The overall trend for 2012-14 and the predicted outcomes for 2016 and 2017 are good although there was a dip in results in 2015 which had been anticipated. Headlines are:

- increasing trend for all learners for the best 8 value added from 2012-2014, with the exception of 2015
- significant level of expected progress for English (2013,2014) and Maths (2014), with the exception of 2015
- the best 8 value added gap for disadvantaged learners has decreased from 2012-2014
- the best 8 value added gap for gender has decreased from 2012-2014
- the value added score for the key subjects for Maths and Science has a three year upward trend with the exception of 2015
- attainment is above national average for 5+ A*-C including Maths and English and significant progress in 2013 and 2014
- strong, confident predictions for 2016 and 2017
- three year trend of increased attainment in GCSE Biology of 20% and GCSE Chemistry of 14%

KS4 Progress Data

- Levels of progress in Maths and English have been consistently above national average with the exception of 2015.
- There has been a steady increase in VA with the exception of 2015.
- It should be noted that the curriculum in 2013-15 did not match the requirements of the Progress 8 score.
- In 2016, when the curriculum does meet the needs of Progress 8, the score is showing a positive value and VA is also predicted to be above 1000.
- Predictions @Oct. 2015, which have previously been accurate, show that impact has taken place for learner outcomes in the future (see below).

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2015

PROGRESS MEASURES	2013	2014	2015	2016 (predicted)	2017 (predicted)
PROGRESS MEASURES	2013	2014	2015	2016 (predicted)	2017 (predicted)
PROGRESS MEASURE	2013	2014	2015	2016 predicted	2017 predicted
Progress 8	P8	P8	P8	P8	P8
Average Total Progress 8		0.02	-0.37	0.30	0.04

Progress Measures	LOP	LOP	LOP	LOP	LOP
Students making 3+ LOP in English	79	75.1	64.5	88.0	88.4
Students making 4+ LOP in English	39	24.9	22.2	47.5	45.5
Students making 3+ LOP in Maths	73	77.3	61.1	79.9	77.3
Students making 4+ LOP in Maths	26	25.6	20.7	43.2	40.4

Value Added Total Measure	VA	VA	VA	VA	VA
Capped8 +EM VA Score	985.60	997.89	984.23	1021.97	1020.73
VA English		999.83	999.48	1001.87	1002.63
VA Maths		999.60	999.14	1002.8	1001.59
VA Science	997.1	998.74 4	996.9	999.7	1002.96

KS4 Attainment Data

- The attainment percentages have been consistently above floor target and above national average with the exception of 2015 with 5+ A*-C including Maths and English being significantly above national average in 2014 and 2015.

ATTAINMENT MEASURES	2013	2014	2015	2016 (predicted)	2017 (predicted)
% Students with 5 x A*-C	83.1	71.4	64.6	79.2	76.0
% Students with 5 x A*-C inc E/M	70	63.3	54.4	69.3	68.0
% Students with 5 A*-G	100	94	97	98	99.5
% Students 3+ A*-A	29	24.8	17	26.7	28.0
% E-Bacc.	24.0	23.8	24.3	28.7	10.5

Outcomes in other KS4 subjects

- In 2014 there were some outstanding results in some subject areas with 7 subjects sig+ for A*-C attainment (Maths, English Lit. English Lang, Geog. RE, Drama, Catering) and 3 subjects sig+ at A*-A (English Lit. PE, Business).
- In 2015, there were again a range of outstanding results (German, Textiles, Dance, Music, Sport, H&S Care). Music is consistently the highest performing subject and is outstanding at all key stages.

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

KS4 Outcomes for Groups

The table below shows the gap measured against the school 5+A*-C inc. M/E figures and the gap measured against the national 5+A*-C inc. M/E for 2014 and 2015.

	PP	NON-PP	GAP	2015
5 A*-C inc. M/E	44.4%	74.2%	31%	10%

GCSE 2015 Pupil Premium- English				2014
	PP	NON-PP	GAP	GAP
% A*-C	50	77	27	35
% Expected Progress	55	67	11	27
% Better than Expected Progress	15	24	9	20

GCSE 2014-2015 Pupil Premium- Maths				2013 - 2014
	PP	NON-PP	GAP	GAP
% A*-C	45	74		18
% Expected Progress	39	67		17
% Better than Expected Progress	10	23	13	19

Outcomes at Key Stage 3

Maths

- In Year 9 currently 84.8% are meeting or exceeding target which translates to at least two LOP.

English

- In Year 9 currently 83.6% are meeting or exceeding target which translates to at least two LOP.

Science

- In Year 9 currently 84.8 % are meeting or exceeding target which translates to at least two LOP.

Going Concern

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

Key Financial Performance Indicators

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

Financial Review

These financial statements reflect a 12 month accounting period of operation as an Academy Trust. The Academy Trust began trading on 1 July 2013 but was incorporated on 4 March 2013. The majority of income received is obtained from the Education Funding Agency (EFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the Academy Trust. Total grants received from the EFA are set out in the statement of financial activities.

During the period the Academy Trust received £6,281,112 of educational income, of which £5,351,297 was GAG funding. Other grants and income amounted to £929,815.

Expenditure for the period totalled £6,150,556 (excluding depreciation), including £4,914,296 of staff related costs supporting the day to day running of the Academy Trust.

In aggregate, during the period, the excess total income over total expenditure was £125,591 (excluding restricted fixed asset funds and pension deficit).

The Academy Trust also inherited the Local Government Pension Scheme (LGPS) liability. The LGPS liability stands at £1,017,000 as at the 31 August 2015. This is detailed in note 19 of the financial statement.

As at the 31 August 2015, the net book value of fixed assets after depreciation of £332,422, amounts to £10,194,620 as shown in note 12 of the financial statements. The assets were used exclusively for providing education and the associated support services to the learners and students for the Academy Trust.

Financial and Risk Management Objectives and Policies

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

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

Principal Risks and Uncertainties

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

Reserves Policy

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

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

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

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

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

Investment Policy

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

Plans for Future Periods

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

Auditor

So far as the trustees are aware:

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

APPROVAL

Report of the Trustees, incorporating a Strategic Report, approved by order of the Board of Trustees, as the Company Directors, on 15 December 2015 and signed on the Board's behalf by:



A Atherton – Trustee / Chair



M Bryan – Trustee / Accounting Officer

BIRCHWOOD COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Governors' Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Governors has formally met 6 times during the period to 31 August 2015. Attendance during the period for the Board of Governors meetings during the period was as follows:

Name	Possible meetings	Meetings attended
Alex Paton	6	6
Andrea Atherton	6	6
Anne Bright	6	5
Andy Lindsay	6	6
Barry Sanson	6	5
Bryan Evans	6	2
Colin Burrows	6	5
Chris Dore	6	3
Debi Ost	6	6
Glyn Hughes	6	4
Jane Evans	6	4
Lynsey Gilchrist	6	4
Mark Proctor	6	1
Nigel Reeves	6	6
Paul Taylor	6	2
Ralph Johnson	6	2
Rosemary Panting	6	5
Ruth Agnew	6	3
Terry Coles	6	6
Tracy Lynskey	6	4
Jane Calderbank	6	6
Mrs J Frazer	6	1
Moirá Bryan	6	3
Richard Ellwood	6	2
Ian Parkinson	6	2
John Burnham	6	1
Jo Roscow	6	1

BIRCHWOOD COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2015**

Governors' Statement

The Finance Committee is a sub-committee of the main Board. The Finance Committee has met 8 times to discuss key aspects of the financial management of the Academy Trust and to review the audit arrangements applied. Attendance during the period for the trustees was as follows:

Name	Possible meetings	Meetings attended
Alex Paton	8	7
Anne Bright	8	8
Andy Lindsay	8	7
Barry Sanson	8	3
Colin Burrows	8	6
Chris Dore	8	3
Glyn Hughes	8	8
Paul Taylor	8	1
Ralph Johnson	8	8
Terry Coles	8	7
Jane Calderbank	8	6
Maira Bryan	8	7
Simon Burns	8	1
Angela McNicolas	8	7
Richard Ellwood	8	4
Ian Parkinson	8	3
Janet Wilson	8	3

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the likely impact, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Birchwood Community Academy Trust for the period from 1 July 2014 to 31 August 2015.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place during the period from 1 July 2014 to 31 August 2015 and up to the date of the approval of the annual report and financial statements. The process will be regularly reviewed by the Board.

BIRCHWOOD COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are being developed and reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to allocate this role to the Responsible Officer for this year.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

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

Moving forward the accounting officer will continue to be advised of the implications of the results of the review of system of internal control by the Resources Committee and will plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by:



A Atherton – Trustee / Chair



M Bryan – Trustee / Accounting Officer

BIRCHWOOD COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

As Accounting Officer of Birchwood Community Academy Trust the Headteacher has responsibility and accountability for ensuring that the Academy Trust delivers good value in the use of public resources. The Headteacher is aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy trust has delivered improved value for the money during the year in the following ways.

New Initiatives and Improved Facilities

Following a comprehensive review of Special Education Needs Department with an increase in the number of SEND learners, the Academy invested in a re-design of one section of the academy to provide the best support facilities for SEND learners. A dedicated SEND teacher has been appointed to lead on Literacy and Numeracy across the curriculum with low ability learners ensuring increased attainment and progress for this key group.

The external façade of the Design & Technology block has been upgraded through a successful CIF bid to the EFA. Howdens Joinery supported the upgrading of two Food Technology rooms by offering kitchen units at a discounted rate. One science laboratory was upgraded providing state-of-the-art practical facilities that supports the new science National Curriculum.

Over the past year there has been further significant investment in the development of the ICT network and replacement ICT hardware. This has increasing the number of high specification Media computers to support increased numbers of students in the sixth form. The introduction of GCSE Computing and GCSE Graphic products, each requiring new specialist resources, has also ensured a broad and balanced curriculum that supports the needs of the learners. The Academy has an ongoing ICT strategy plan which provides the basis to move forward with the replacement & renewal of our ICT equipment within available funds.

Asset Management and Financial Management

The Academy has continued to use the Parago Asset Management system following conversion. We are using this database to influence renewals & replacements and to contribute to our obligations for Year End reporting. A full review of the effectiveness of this software together with the financial software will be completed in 2015-2016 to ensure best value.

Collaboration

Birchwood Community Academy Trust has sustained its significant partnership with the Great Sankey Teaching School Alliance. These partnerships have ensured that we work closely and collaboratively with outstanding schools and Higher Education Institution providers, delivering programmes which support improvements in teaching. In addition, the Academy has been heavily involved in the Schools Direct teacher training programme to ensure outstanding entrants to the profession.

Trainee teachers have worked closely with current teaching staff to carefully plan and deliver excellent lessons. This supported the professional development and coaching skills of our existing BCAT teachers and in addition, we have found that the Trainee Teachers have brought new ideas, up-to-date methodology, creativity and energy which have added to an already vibrant, forward thinking staff. The income generated from this venture has been reinvested in resources and professional development for teaching staff.

The Academy has sustained close relationships with primary partners locally. The Birchwood cluster is a partnership of 5 primary schools and 1 secondary school which exists to help maximise progress and attainment by all children and young people in the Birchwood Cluster. It has agreed terms of reference, shared staffing and works to achieve best value through joint recruitment and by maximising opportunities through economies of scale. Governors and Headteachers meet twice a year to share best practice, to explore common solutions to educational issues and to identify sources of funding streams to support improvement.

Community commitment

The Academy remains committed to its responsibility to play an important role at the heart of the community beyond school hours. Our partnership with LiveWire has sustained access for learners and the community to a modern Library with ICT resources and to outstanding sports facilities at the weekend and during the school holidays. The extensive use of the Sports Hall and floodlit AstroTurf by existing partners such as Warrington Wolves, local sports teams and businesses during the evenings at weekends and during the school holidays means that the site is always busy. This has reduced opportunities for vandalism. All revenue generated from community bookings of the school's facilities has been re-invested to sustain high quality facilities for the school and community.

BIRCHWOOD COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The above report approved by order of the members of the governing body on 15th December 2015 and signed on its behalf by:


.....
A Atherton – Trustee / Chair

Date: 15th December 2015


.....
M Bryan – Trustee / Accounting Officer

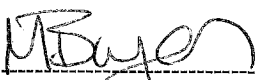
Date: 15th December 2015

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

As Accounting Officer of Birchwood Community High School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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


.....
M Bryan - Accounting Officer

Date: 15 December 2015

BIRCHWOOD COMMUNITY ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2015

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by:



A Atherton – Trustee / Chair

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

We have audited the financial statements of Birchwood Community Academy Trust for the year ended 31 August 2015 on pages twenty two to forty. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Date:

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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birchwood Community Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

Approach

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

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Date:

BIRCHWOOD COMMUNITY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

					Year Ended 31.8.15 Total funds	Period 4.3.13 to 31.8.14 Total funds
	Notes	Unrestric ted funds £	Restricted funds £	Restricted Fixed Asset fund £	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	1,309	-	-	1,309	1,245
Voluntary income - Transfer from Local Authority on conversion		-	-	-	-	11,209,011
Activities for generating funds	3	171,579	29,412	-	200,991	226,824
Investment income	4	3,181	-	-	3,181	4,629
Incoming resources from charitable activities						
Education	5	<u>233,053</u>	<u>5,829,023</u>	<u>219,036</u>	<u>6,281,112</u>	<u>7,274,364</u>
Total incoming resources		409,122	5,858,435	219,036	6,486,593	18,716,073
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading: cost of goods sold and other costs	7	230,339	-	-	230,339	251,656
Charitable activities						
Education	8	53,192	5,855,722	317,580	6,226,494	7,507,767
Governance costs	9	<u>-</u>	<u>26,145</u>	<u>-</u>	<u>26,145</u>	<u>26,069</u>
Total resources expended	6	<u>283,531</u>	<u>5,881,867</u>	<u>317,580</u>	<u>6,482,978</u>	<u>7,785,492</u>
NET INCOME/(EXPENDITURE)		125,591	(23,432)	(98,544)	3,615	10,930,581
Other recognised gains/losses						
Actuarial gains/(losses) on deferred benefit pension schemes		<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,016,000)</u>
Net movement in funds		125,591	(24,432)	(98,544)	2,615	9,914,581
RECONCILIATION OF FUNDS						
Total funds brought forward		904,290	(926,670)	9,936,961	9,914,581	-
TOTAL FUNDS CARRIED FORWARD		<u>1,029,881</u>	<u>(951,102)</u>	<u>9,838,417</u>	<u>9,917,196</u>	<u>9,914,581</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

BIRCHWOOD COMMUNITY ACADEMY TRUST

BALANCE SHEET
AT 31 AUGUST 2015

		Unrestrict ed funds	Restricted funds	Restricted Fixed Asset fund	2015 Total funds	2014 Total funds
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	12	356,203	-	9,838,417	10,194,620	10,079,542
CURRENT ASSETS						
Stocks	13	-	-	-	-	4,472
Debtors	14	169,849	-	-	169,849	175,805
Cash at bank		<u>940,004</u>	<u>65,898</u>	<u>-</u>	<u>1,005,902</u>	<u>917,478</u>
		1,109,853	65,898	-	1,175,751	1,097,755
CREDITORS						
Amounts falling due within one year	15	<u>(436,175)</u>	<u>-</u>	<u>-</u>	<u>(436,175)</u>	<u>(246,716)</u>
NET CURRENT ASSETS		<u>673,678</u>	<u>65,898</u>	<u>-</u>	<u>739,576</u>	<u>851,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,029,881	65,898	9,838,417	10,934,196	10,930,581
PENSION LIABILITY	19	<u>-</u>	<u>(1,017,000)</u>	<u>-</u>	<u>(1,017,000)</u>	<u>(1,016,000)</u>
NET ASSETS/(LIABILITIES)		<u><u>1,029,881</u></u>	<u><u>(951,102)</u></u>	<u><u>9,838,417</u></u>	<u><u>9,917,196</u></u>	<u><u>9,914,581</u></u>
FUNDS	18					
Unrestricted funds:						
General fund					579,881	454,290
Designated fund					<u>450,000</u>	<u>450,000</u>
					1,029,881	904,290
Restricted funds:						
School funds					65,898	89,330
Pension					(1,017,000)	(1,016,000)
GAG/EFA funds					-	-
Restricted fixed assets					<u>9,838,417</u>	<u>9,936,961</u>
TOTAL FUNDS					<u><u>9,917,196</u></u>	<u><u>9,914,581</u></u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

BALANCE SHEET - CONTINUED
AT 31 AUGUST 2015

The financial statements were approved by the Board of Trustees on 15th December 2015 and were signed on its behalf by:

.....
A Atherton -Chair

.....
M Bryan -Headteacher

BIRCHWOOD COMMUNITY ACADEMY TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

		Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Net cash inflow from operating activities	Notes 1	313,903	1,055,976
Returns on investments and servicing of finance	2	2,986	4,083
Capital expenditure and financial investment	2	(228,465)	(142,581)
Increase in cash in the period		<u>88,424</u>	<u>917,478</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		<u>88,424</u>	<u>917,478</u>
Change in net debt resulting from cash flows		<u>88,424</u>	<u>917,478</u>
Movement in net debt in the period		88,424	917,478
Net debt at 1 September		<u>917,478</u>	<u>-</u>
Net debt at 31 August		<u>1,005,902</u>	<u>917,478</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Net incoming resources	3,615	10,930,581
Depreciation charges	332,422	565,459
Capital grants from DfE/EFA	(219,036)	(177,366)
Transfer from Local Authority on conversion	-	(10,325,054)
Interest received	(3,181)	(4,629)
Interest paid	195	546
Decrease/(increase) in stocks	4,472	(4,472)
Decrease/(increase) in debtors	5,956	(175,805)
Increase in creditors	189,460	246,716
Net cash inflow from operating activities	<u>313,903</u>	<u>1,055,976</u>

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

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Returns on investments and servicing of finance		
Interest received	3,181	4,629
Interest paid	(195)	(546)
Net cash inflow for returns on investments and servicing of finance	<u>2,986</u>	<u>4,083</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(447,501)	(319,947)
Capital grants from DfE/EFA	219,036	177,366
Net cash outflow for capital expenditure and financial investment	<u>(228,465)</u>	<u>(142,581)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £	Cash flow £	At 31.8.15 £
Net cash:			
Cash at bank	917,478	88,424	1,005,902
Total	<u>917,478</u>	<u>88,424</u>	<u>1,005,902</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Going concern

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

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Annual Grant is treated as restricted income. Capital grants are shown in the Restricted Fixed Asset Funds. Where GAG monies are expended on fixed assets, a transfer is made from the General Restricted Fund to the Restricted Fixed Asset Fund to reflect the increase in Fixed Asset balances.

Donations

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

Donated goods, facilities and services

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

Resources expended

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

Cost of generating funds

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

Charitable activities

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

Governance costs

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

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

Freehold property	- 2% on cost
Fixtures and fittings	- 12.5% and 20% on cost
Motor vehicles	- 10% on cost
Computer equipment	- 20% on cost (new assets), 33% on cost (old assets)

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

Stocks

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19 the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Leased assets

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Donations	<u>1,309</u>	<u>1,245</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Hire of facilities	3,050	11,536
School dinners and vending	<u>197,941</u>	<u>215,288</u>
	<u>200,991</u>	<u>226,824</u>

4. INVESTMENT INCOME

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Deposit account interest	<u>3,181</u>	<u>4,629</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Funding for educational activities	6,223,575	7,194,940
Community activities	<u>57,537</u>	<u>79,424</u>
	<u>6,281,112</u>	<u>7,274,364</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES – continued

Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015 £
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	5,351,297	-	5,351,297
Start up Grants	-	-	-	-
Capital Grants	-	-	219,036	219,036
Other Dfe/EFA Grants	-	224,865	-	224,865
	-	5,576,162	219,036	5,795,198
Other Government grants				
Local authority grants	-	103,141	-	103,141
Special educational projects	-	-	-	-
	-	-	-	-
Other income				
Recharges and fees	233,053	-	-	233,053
School funds	-	149,720	-	149,720
	233,053	149,720	-	382,773
Total	233,053	5,829,023	219,036	6,281,112

6. RESOURCES EXPENDED

				Year Ended 31.8.15	Period 4.3.13 to 31.8.14
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	124,396	-	105,943	230,339	251,656
Charitable activities (see note 8 below)	4,780,125	372,679	1,073,690	6,226,494	7,507,767
Governance costs including allocated support costs	7,500	-	18,645	26,145	26,069
	<u>4,912,021</u>	<u>372,679</u>	<u>1,198,278</u>	<u>6,482,978</u>	<u>7,785,492</u>

Net resources are stated after charging/(crediting):

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Auditors' remuneration	4,250	4,500
Depreciation - owned assets	<u>332,422</u>	<u>565,459</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

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

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Purchases	105,943	118,392
Staff costs	<u>124,396</u>	<u>133,264</u>
	<u>230,339</u>	<u>251,656</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note) £	Totals £
Education	<u>4,251,064</u>	<u>1,975,430</u>	<u>6,226,494</u>

	Direct costs	Support costs	Total
Staff including social security and pension	3,451,054	1,329,071	4,780,125
Premises expenses	-	372,679	372,679
Educational supplies	306,781	-	306,781
Stationery, postage and telephone	-	79,281	79,281
Depreciation of buildings and other assets	332,422	-	332,422
Other	160,807	194,399	355,206
	4,251,064	1,975,430	6,226,494

9. GOVERNANCE COSTS

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Staff costs	7,500	7,500
Auditors' remuneration	4,250	4,500
Professional fees	<u>14,395</u>	<u>14,069</u>
	<u>26,145</u>	<u>26,069</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

10. TRUSTEES' REMUNERATION AND BENEFITS

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

A Bright (headteacher and governor)	£80,000 - £85,000
L Gilchrist (staff trustee)	£40,000 - £45,000
J Wilson (staff trustee)	£35,000 - £40,000
C Dore (staff trustee)	£30,000 - £35,000
T Lynskey (staff trustee)	£25,000 - £30,000

Trustees' expenses

During the year ended 31st August 2015, travel and subsistence expenses totalling £489 were reimbursed to 2 trustees.

Other related party transactions involving the governors are set out in note 20

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF COSTS

	Year Ended 31.8.15 £	Period 4.3.13 to 31.8.14 £
Wages and salaries	4,045,401	4,781,622
Social security costs	285,976	324,739
Other pension costs	<u>580,644</u>	<u>686,032</u>
	4,912,021	5,792,393
Other staff costs (DPB)	1,907	7,694
Staff related insurance	<u>368</u>	<u>49,709</u>
	<u><u>4,914,296</u></u>	<u><u>5,849,796</u></u>

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

	Year Ended 31.8.15	Period 4.3.13 to 31.8.14
Teaching staff	68	65
Administration and support	56	64
Management	<u>7</u>	<u>8</u>
	<u><u>131</u></u>	<u><u>137</u></u>

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

	Year Ended 31.8.15	Period 4.3.13 to 31.8.14
£60,001 - £70,000	1	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	<u>-</u>	<u>1</u>
	<u><u>2</u></u>	<u><u>5</u></u>

Both of the above employees above participated in the Teachers' Pension Scheme. During the year ended 31st August 2015 employer's pension contributions for these staff amounted to £21,037.

The wage amounts shown for 2013-14 are for a fourteen month period.

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

12. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 September 2014	9,970,632	212,972	11,588	449,808	10,645,000
Additions	<u>262,821</u>	<u>8,246</u>	<u>25,264</u>	<u>151,170</u>	<u>447,501</u>
At 31 August 2015	<u>10,233,453</u>	<u>221,218</u>	<u>36,852</u>	<u>600,978</u>	<u>11,092,501</u>
DEPRECIATION					
At 1 September 2014	184,348	103,071	4,617	273,423	565,459
Charge for year	<u>173,538</u>	<u>31,823</u>	<u>2,984</u>	<u>124,077</u>	<u>332,422</u>
At 31 August 2015	<u>357,886</u>	<u>134,894</u>	<u>7,601</u>	<u>397,500</u>	<u>897,881</u>
NET BOOK VALUE					
At 31 August 2015	<u>9,875,567</u>	<u>86,324</u>	<u>29,251</u>	<u>203,478</u>	<u>10,194,620</u>
At 31 August 2014	<u>9,786,284</u>	<u>109,901</u>	<u>6,971</u>	<u>176,385</u>	<u>10,079,541</u>

13. STOCKS

	2015 £	2014 £
Stocks	<u>-</u>	<u>4,472</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	45,465	26,471
Other debtors	38,921	-
VAT Recoverable	55,964	60,992
Prepayments and accrued income	<u>29,499</u>	<u>88,342</u>
	<u>169,849</u>	<u>175,805</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	56,426	37,183
Other creditors	-	80,000
Accruals and deferred income	<u>379,749</u>	<u>129,533</u>
	<u>436,175</u>	<u>246,716</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

16. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	1,528	2,157
Between one and five years	<u>10,317</u>	<u>11,209</u>
	<u>11,845</u>	<u>13,366</u>

17. MEMBERS' LIABILITY

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

18. MOVEMENT IN FUNDS

	At 1.9.14	Net movement in funds	At 31.8.15
	£	£	£
Unrestricted funds			
General fund	454,290	125,591	579,881
Designated fund	<u>450,000</u>	<u>-</u>	<u>450,000</u>
	904,290	125,591	1,029,881
Restricted funds			
School Fund	89,330	(23,432)	65,898
GAG/EFA Funds	-	-	-
Pension	<u>(1,016,000)</u>	<u>(1,000)</u>	<u>(1,017,000)</u>
	(926,670)	(24,432)	(951,102)
Restricted fixed assets	<u>9,936,961</u>	<u>(98,544)</u>	<u>9,838,417</u>
TOTAL FUNDS	<u>9,914,581</u>	<u>2,615</u>	<u>9,917,196</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	409,122	(283,531)	-	125,591
Restricted funds				
School fund	149,720	(173,152)	-	(23,432)
GAG/EFA funds	5,708,715	(5,708,715)	-	-
Pension	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
	5,858,435	(5,881,867)	(1,000)	(24,432)
Restricted fixed assets	<u>219,036</u>	<u>(317,580)</u>	<u>-</u>	<u>(98,544)</u>
TOTAL FUNDS	<u>6,486,593</u>	<u>(6,482,978)</u>	<u>(1,000)</u>	<u>2,615</u>

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

18. MOVEMENT IN FUNDS – continued

Under the Financial Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at the period end.

Unrestricted funds

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

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

Unrestricted designated funds

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

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

Restricted funds

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

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

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

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

19. 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 Cheshire West and Chester Council. Both are multi- employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and of the LGPS 31 March 2013.

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

An employer cost cap of 10.9% of pensionable pay will be applied to future valuations the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £663,713 (2014: £696,012).

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

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

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £244,300 of which employer's contributions totalled £181,845 and employees' contributions totalled £62,455. The agreed contribution rates for future years is 20.6%.

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

Principal Actuarial Assumptions

	As at 31st August 2015	As at 31st August 2014
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Inflation assumption (CPI)	1.25%	1.25%
Commutation of pensions to lump sums	50-75%	50-75%

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

	As at 31st August 2015	As at 31st August 2014
Retiring today :		
Males	22.3	22.3
Females	24.4	24.4
Retiring in 20 years:		
Males	24.1	24.1
Females	26.7	26.7

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

	Expected return as at 31st August 2015%	Fair Values at 31st August 2015 £000	Expected return as at 31st August 2014%	Fair Values at 31st August 2014 £000
Equities	3.8%	758	6.3%	748
Bonds	3.8%	644	2.9%	262
Property	3.8%	145	4.5%	87
Cash	3.8%	64	3.3%	150
Total market value of assets		1,611		1,247
Present value of scheme liabilities		(2,628)		(2,263)
Surplus/(deficit) in the scheme		(1,017)		(1,016)

The actual return on scheme assets was £1,000 (2014: £458,000)

Amounts recognised in the statement of financial activities

	2015 (£000)	2014 (£000)
Current service cost (net of employee contributions)	252	178
Past service cost	-	-
Total operating charge	252	178

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

19. PENSION AND SIMILAR OBLIGATIONS – continued

Local government pension scheme

Analysis of pension finance income / (costs)

	2015 (£000)	2014 (£000)
Expected return on pension scheme assets	71	59
Interest on pension liabilities	(89)	(85)
Pension finance income / (costs)	(18)	(26)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,017,000 loss (2014: £1,016,000 loss).

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

	2015 (£000)	2014 (£000)
At 1st September	2,263	1,360
Current service cost	252	178
Interest cost	89	85
Employee contributions	61	64
Actuarial (gain)/loss	(37)	576
Benefits paid	-	-
Past Service cost	-	-
Curtailments and settlements	-	-
At 31 August	2,628	2,263

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

	2015 (£000)	2014 (£000)
At 1st September	1,247	802
Expected return on assets	71	59
Actuarial gain/(loss)	46	84
Employer contributions	186	238
Employee contributions	61	64
Benefits paid	-	-
Business combinations	-	-
At 31 August	1,611	1,247

The estimated value of employer contributions for the year ended 31 August 2016 is £187,000

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

	2015 (£000)	2014 (£000)
Present value of defined benefit obligations	(2,628)	(2,263)
Fair value of share of scheme assets	1,611	1,247
Deficit in the scheme	(1,017)	(1,016)
Experience adjustments on share of scheme assets	-	-
Experience adjustments on scheme liabilities	-	-

BIRCHWOOD COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

20. RELATED PARTY DISCLOSURES

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

During the year ended 31st August 2015 staff costs were recharged to cluster schools.

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

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

Birchwood C of E	(R Grimmer)	£12,759
Cinamon Brow Primary School	(T Lynskey)	£14,896
Locking Stumps Primary School	(C Burrows, J Evans, R Agnew, J Roscoe)	£13,828