Bishop Rawstorne Church of England Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2019

Company Registration Number: 07672781 (England and Wales)

Bishop Rawstorne Church of England Academy Trust
Annual Report and Financial Statements

Year Ended 31st August 2019

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Bishop Rawstorne Church of England Academy Trust
Reference and Administrative Details

Year Ended 31st August 2019

Members	Mrs K Cooper Mrs S Cooper Mr J P Cowley Mr A Marston Mr P Phythian (retired 6th November 2018) Mr D Taylor Mr R Websdell (retired 31st August 2019) Blackburn Diocesan Board of Education
Trustees	Mrs S Belfield (Foundation trustee) The Reverend A J Brown (Foundation trustee) Mrs J Cast (Parent trustee) Mrs K Cooper (Sponsor trustee) Mrs S Cooper (Foundation trustee) Mrs T Cowell (Foundation trustee) Mr J P Cowley (Ex-officio, Headteacher and Accounting Officer) Mrs R Culshaw (Foundation trustee, appointed 2nd January 2019) Mrs S Dixon (Foundation trustee) Mrs W Gibbons (Staff trustee) Mr S Gregson (Foundation trustee) Mrs A Haines (retired 4th September 2018) Mrs J Hughes (Local Authority trustee, appointed 5th November 2018) Mr J Latham (Foundation trustee) Mr A Marston (Chair and Foundation trustee) Mr M McNulty (retired 14th March 2019) Miss E Palmer (Staff trustee) Mr P Phythian (retired 6th November 2018) Mr K Roberts (Parent trustee) Mr D Taylor (Foundation trustee) Mr R Websdell (retired 31st August 2019) Mr S A Websdell (Foundation trustee, appointed 1st September 2019) The Reverend M Woods (Ex-officio)
Secretary	Mrs L Hood

Bishop Rawstorne Church of England Academy Trust
Reference and Administrative Details

Year Ended 31st August 2019

Senior Leadership Team	
Assistant Headteacher	Mr P Almond
Headteacher	Mr J P Cowley
Assistant Headteacher	Mr A Duckworth
Business and Finance Manager	Mrs L Hood
Assistant Headteacher	Mrs C Lane
Deputy Headteacher	Mr P Rawlinson
Assistant Headteacher	Mrs H Winter
Assistant Headteacher	Mr J Wood
Principal and Registered Office	Highfield Road Croston Leyland PR26 9HH
Company Registration Number	07672781
Independent Auditor	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW
Bankers	Lloyds Bank Church Street Blackburn BB2 1JQ
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Bishop Rawstorne Church of England Academy Trust
Trustees' Report

Year Ended 31st August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2018 to the 31st August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The Academy Trust operates an academy for students aged 11 to 16 serving a catchment area which includes the five foundation parishes of Bretherton, Croston, Eccleston, Mawdesley with Bispham and Wrightington with Heskin and the named parishes of Appley Bridge, Banks, Douglas in Parbold, Hesketh with Becconsall, Hoole, Leyland St James, Rufford and Tarleton. Students are also drawn from outer parishes depending on the number of applications received. It has a student capacity of 950 and had a roll of 937 in the January 2019 school census.

Structure, Governance and Management

1.1 Constitution

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

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

1.2 Members' Liability

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

1.3 Trustees' Indemnities

Since the incorporation of the charitable company, the trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 10 to the Financial Statements the limit of this indemnity is £10,000,000.

1.4 Method of Recruitment and Appointment or Election of Trustees

The Members appoint a minimum of eleven trustees of whom:

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

The proportions of the Board of Trustees of Bishop Rawstorne C of E Academy are as follows:

- Up to three staff trustees, appointed by the members through such a process as they may determine. The members shall make all necessary arrangements for, and determine all matters relating to, an election of the staff trustees.
- Up to one Local Authority (LA) trustee, appointed by the LA.
- Three parent trustees, elected by parents of registered students at the academy. A parent trustee must be a parent of a student at the academy at the time when he/she is elected. The members shall make all necessary arrangements for, and determine all matters relating to, an election of the parent trustees. Any election of parent trustees which is contested shall be held by secret ballot. Arrangements for the election shall provide for every person entitled to vote, an opportunity by post or, if they prefer, by having his ballot paper returned to the academy trust by a registered student at the academy.
- The Headteacher, treated for all purposes as an Ex Officio Trustee. If the Headteacher chooses not to be a trustee, the position remains vacant.

- Up to one sponsor trustee, appointed by the members.
- Up to one community trustee, appointed by the members.
- Eleven Foundation trustees, appointed by the Parochial Church Councils of Eccleston, Croston, Wrightington, Bretherton and Mawdesley.

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

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

1.6 Organisational Structure

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

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

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees has adopted a whole school pay policy which will be reviewed on an annual basis. It has been developed to comply with the current School Teachers' Pay and Conditions Document and is in line with the Guidance on School Teachers' Pay and Conditions. Pay scales for senior staff are set and reviewed in accordance with this policy. Pay decisions are overseen by the Board of Trustees who will act with integrity, confidentiality, objectivity and honesty in the best interests of the school.

Support staff are covered by the NJC scheme conditions of service and the academy has adopted the Lancashire County Council's pay and grading structure under the NJC scheme of conditions of service.

Trustees are volunteers and receive no pay or remuneration.

1.8 Related Parties and Other Connected Charities and Organisations

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

1.9 Trade Union Facility Time

Information, as it applies to the Academy Trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1st April 2018 to 31st March 2019 (the relevant period).

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£226
Provide the total pay bill	£3,610,901
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.006%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	N/A

2. Objectives and Activities

2.1 Objects and Aims

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

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

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

2.2 Objectives, Strategies and Activities

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

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

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

The main principles being:

- Educating for 'Life in all its fullness' by: Educating for Wisdom, Knowledge and Skills; Educating for Hope and Aspiration; Educating for Community and Living Well Together; Educating for Dignity and Respect.
    - Ensuring staff consistently deliver outstanding teaching and learning opportunities.
    - Preparing our young people to be outstanding citizens of tomorrow.
    - Inspire and motivate staff and students to give the best of themselves.
    - To be at the heart of national strategies.
    - Further develop our National Teaching School and National Support School status to support, encourage and raise attainment in other schools.
    - Develop our National Computing Hub.
    - Continue to develop a curriculum fit for purpose, exciting and motivating to enable our young people to be excited by life-long learning.
    - Display self-discipline.
    - Foster good behaviour.
    - Have pride in ourselves and in our school.
    - Embrace new opportunities for students and staff.
    - To fully develop the social, moral, spiritual and cultural development of all our young people underpinned by our Christian values.

Development Plan, objectives for the academic year 2019/2020:

- Priority one: Improve Learning
- Priority two: Improve Teaching
- Priority three: Curriculum

Community:

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

Accommodation and resources for learning:

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

2.3 Public Benefit

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

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

Strategic report

3. Achievements and Performance

- Overall standards continue to remain high. English and Maths results were 89% standard pass and 73% strong pass. Our English Baccalaureate (EBacc) score was 55% standard pass and 42% strong pass. Our Progress 8 score was 0.51.
- Standards in the EBacc subjects are high.
- Standards and achievement are high in a number of GCSE option subjects and this is a strength of the school.

3.1 Key Performance Indicators

The academy monitors its performance on examination results achieved, Ofsted and Statutory Inspection of Anglican and Methodist Schools (SIAMS) reports received. It complies with all the terms and conditions of its Funding Agreement with the Education and Skills Funding Agency (ESFA) and manages its reserves in line with the policies set out below.

3.2 Going Concern

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

4. Financial Review

4.1 Operating and Financial Review

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

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

The academy was awarded a capital grant of £212,375 by the DfE from the Condition Improvement Fund (CIF) 2018/2019 for health and safety and safeguarding works to provide a secure boundary preventing uncontrolled access to and egress from the site. Work on the project is now complete. In accordance with the Charities SORP 2005, the capital grant received is shown in the SOFA as restricted fixed asset funds.

Expenditure for the year covered by this report was covered by the GAG received from the DfE together with other incoming resources. The combined General Restricted Fund and Unrestricted Fund show a cumulative reserve, before the actuarial losses on defined benefit pension schemes, of £1,224,000. This operating surplus is the result of detailed and accurate budgeting and tight budgetary control procedures which have been firmly embedded in the academy trust's daily financial management.

The academy held revenue fund balances at the 31st August 2019 of £1,224,000 comprising £456,000 of restricted funds and £768,000 of unrestricted general funds. In addition to this, the pension reserve shows a deficit of £1,617,000. Further details of the carry forward balances on each fund can be found in note 15 to the accounts.

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

4.2 Reserves Policy

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

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

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

As at the 31st August 2019 the Academy had reserves based upon its GAG of 10.4%.

4.3 Investment Policy

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

4.4 Principal Risks and Uncertainties

The principal risk to the academy is the maintenance of student numbers as funding is directly related to the number of students on roll. However, the academy is oversubscribed and there has been no reduction in the number of applications received for 2019/20 admissions. In addition, the fact that there has been no drop in the birth rate in the local area and that additional housing has been built nearby means that there is unlikely to be a reduction in the number of students on roll for the foreseeable future.

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

The academy is situated in a rural area and historically, the grounds have not been securely fenced however the academy has been successful in securing CIF funding to address the risks posed by this. Procedures are in place to vet and badge visitors and all staff are conscious of the hazards associated with the bus lay-by in the academy grounds, which is heavily supervised at the appropriate times.

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

Where significant financial risk still remains, it is ensured there is adequate cover though the Risk Protection Arrangement (RPA) scheme. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

4.5 Fundraising

The academy raises additional funds through the Bishop Rawstorne Church of England International Language College Trust, which is a registered charity and claims gift aid on donations received. Parents of all new year 7 students are provided with information on how to donate if they wish to make voluntary contributions. The objectives of the Charity are the advancement of the education of the students of Bishop Rawstorne Church of England Academy and the local and business community through the development of the Academy, including the provision of facilities and educational items.

5. Plans for Future Periods

Bishop Rawstorne Church of England Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue to look at the curriculum content to ensure future pathways for students. In particular it will ensure that the English Baccalaureate is available at the heart of our ambitions with as many students as possible in each year group taking the EBacc range of subjects. The English Baccalaureate was introduced in 2010 and whilst not a qualification in itself, it recognises where students have secured a grade 5 or better across a core of academic subjects – English, mathematics, history or geography, the sciences and a language. However, we understand that modern foreign languages are not subjects that all want to pursue to GCSE and therefore we need to ensure we use the time gained to best effect in KS4.

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

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

6. Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ..... 10/12/19 ..... and signed on the board's behalf by:

.....

Mr A Marston
Chair of Trustees

Bishop Rawstorne Church of England Academy Trust
Governance Statement

Year Ended 31st August 2019

7.1 Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 of Bishop Rawstorne Church of England Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

7.2 Governance

The information on governance included here supplements that described in the Trustee' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Mr Andrew Marston (Chair)	4	4
Mr Stephen Gregson (Vice Chair)	4	4
Mr Paul Cowley (Headteacher)	4	4
Mrs Sian Belfield	1	4
Father Andrew Brown	4	4
Mrs Joanna Cast	4	4
Mrs Kathleen Cooper	4	4
Mrs Sheila Cooper	4	4
Mrs Teresa Cowell	3	4
Mrs Ronda Culshaw	1	2
Mrs Suzanne Dixon	3	4
Mrs Wendy Gibbons	4	4
Mrs Julie Hughes	2	3
Mr John Latham	4	4
Mr Mark McNulty	1	2
Miss Ellen Palmer	3	4
Mr Paul Phythian	0	1
Mr Karl Roberts	4	4
Mr David Taylor	4	4
Mr Roy Websdell	4	4
Reverend Michael Woods	3	4

Bishop Rawstorne Church of England Academy Trust
Governance Statement

Year Ended 31st August 2019

The Governance Committee is a sub-committee of the Board of Trustees. Its purpose is to be:

1. Responsible for the appointment and election processes to recruit new governors to the Governing Body
2. Responsible for the appointment of the Chair and Vice Chair
3. Annually co-ordinate the membership of each committee
4. Assign the Nominated Governor roles on an annual basis
5. Co-ordinate all Governing Body business (including allocating tasks and functions to individual committees)
6. Finalise the meeting schedule for the year
7. Oversee and evaluate the annual skills audit and governors' personal reviews
8. Implement an annual 360-degree appraisal for the Chair
9. Oversee an annual review of the Clerk to Governors
10. Facilitate appropriate training for all members of the Governing Body
11. Succession planning for the roles of Chair and Vice Chair
12. Regularly review the effectiveness of governance at the Academy using self-review and external support as appropriate

Attendance at meetings in the year was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Mr Andrew Marston (Chair)	5	5
Mr Stephen Gregson (Vice Chair)	4	5
Mr Paul Cowley (Headteacher)	5	5
Mrs Sheila Cooper	5	5
Mrs Suzanne Dixon	3	5
Mr Roy Websdell	5	5

The school converted to academy status in 2011 but kept the composition of the Board largely the same. An External Review of Governance was undertaken in 2015 and resulted in a number of changes in committee structures and operating arrangements. The Governance Committee keeps the school's governance under regular review including the committee terms of reference, membership, chairs, clerking arrangements and trustee training. Following an internal review in July 2019 it was agreed that the Audit Committee be subsumed into the Finance and Resources Committee and that the Teaching School Committee was no longer required and instead two link governors would be assigned to overseeing the work of the Teaching School.

The Board receives regular detailed reports on the performance of the school and holds a full Board of Trustees meeting at the start of the autumn term to undertake a full and detailed analysis of results from the previous year prior to assessing performance and agreeing priorities for the coming year. Trustees are confident that the information they receive is timely and accurate and enables them to hold the senior leadership team to account. Trustees closely monitor the school's financial position in the light of continuing uncertainty about school funding and have agreed a number of significant changes that have helped to ensure a balanced budget.

A new skills audit was undertaken to assist trustees in identifying skills gaps to be addressed when recruiting new trustees and in organising individual and whole board training. Three trustees completed their terms of office during the year and one trustee resigned. In the last 12 months, 3 trustees (2 foundation and 1 Local Authority) were appointed and 2 foundation trustees were also re-appointed.

The major focus of the Board of Trustees is to ensure clarity of vision, ethos and strategic direction for the school and to make sure that our Headteacher and senior staff are delivering the best possible education for all of our students within the financial resources that are available.

Year Ended 31st August 2019

Our results in GCSEs this year were outstanding once again and are a tribute to the hard work and commitment of our staff, students and parents. It demonstrates once again that Bishop Rawstorne provides a rigorous academic environment for our students as well as a broad and diverse range of enrichment activities underpinned by our Christian distinctiveness which is at the heart of our vision for the school.

This means that our school is very popular with parents and this year we have again been massively oversubscribed leading to disappointment for some parents who were unable to gain a place for September 2019. Trustees are closely involved in the Admissions and Appeal processes and we keep the Admissions Policy under regular review to ensure that it is fair and equitable whilst maintaining our vision for the school. We have carefully considered options for expansion of the school but have concluded that it is not a viable or desirable option for the foreseeable future.

As Governors and Trustees, we closely monitor the work of the senior leaders and staff throughout the year through reports, data and visits to ensure that the School Improvement Plan is on track and our priorities for the school and the students are being addressed. In the coming year the Trustees will support the school leadership in leading improvement, improvement in teaching, improvement in learning and developing the curriculum.

This year the Trustees have updated their training on Safeguarding issues and the new framework for the inspection of Church schools (known as SIAMS).

We have also been closely monitoring the development of the new Inspection framework being developed by Ofsted which comes into effect from September 2019. Whilst we are confident that our high standards will more than meet the new criteria, we have decided to change the way we operate and are structured as a group, so that our Trustees are more focussed on the curriculum and can help to ensure that it meets our aspirations for our students, as well as the new Ofsted criteria.

The Finance & Resources Committee is a sub-committee of the Board of Trustees. Its purpose is:

1. FINANCE RESPONSIBILITIES

1. To provide guidance and assistance to the Headteacher and the trust board on all financial matters.
2. To recommend to the trust board internal financial regulations on the financial management of the Academy, in accordance with guidance issued by the ESFA as set out in the Academies Financial Handbook.
3. To review and approve the three year financial plan, taking into account the priorities of the Academy's improvement/development plan and government policy.
4. To consider budget plans presented by the Headteacher and to make recommendations to the trust board for approval.
5. To examine budget monitoring reports and investigate and resolve any significant variances on behalf of the trust board.
6. To approve virements between budget headings where the value is in excess of the sum delegated to the Headteacher under the Academy's internal financial regulations.
7. To review, make recommendations on and approve all finance policies of the Academy including those relating to charges, lettings and income.
8. To consider the appropriate level of reserves and balances bearing in mind guidance produced by the Secretary of State.
9. To consider the annual audited accounts of all funds prior to presentation to the trust board.
10. To review and approve the Trustees Report to form part of the statutory accounts of the trust board and for filing in accordance with the Companies Act requirements.
11. To consider audit reports and other relevant reports and make recommendations to the trust board.
12. To consider and advise on any financial matter referred to it by the trust board.
13. To respond on behalf of the trustees and trust board to any consultations.

2. STAFFING RESPONSIBILITIES

1. To consider, advise and make appropriate recommendations to the Headteacher on all aspects of HR strategy including policy and procedures.

2. To ensure that all the procedures relating to the recruitment, selection and appointment of staff are in place and that they are kept under review following any changes in legislation.
3. To support the Headteacher, where necessary, with the appointment of senior members of staff.
4. To ensure that consultation is carried out as required (e.g. over pay policy) with all staff or with recognised trade unions.
5. To check that the arrangements for staff appraisal and performance management are in place and being developed.
6. To monitor the programme of staff development and training and ensure it meets the needs of the Academy improvement/development plan and of the staff.
7. Review annually the unit total of the Academy and the effect, if any, on the ISR.

Note: (The appointment of a Headteacher or Deputy Headteacher is not a function of this Committee. Headteachers cannot take part in the appointment process for their successor).

3. PREMISES RESPONSIBILITES

1. To consider, advise and make appropriate recommendations to the Headteacher on all aspects of the premises strategy, including statutory policies and procedures.
2. Monitor the Academy's capital expenditure programme to ensure it is on time, on budget and on specification.
3. Review capital proposals and make recommendations to the trust board.
4. Ensure all capital acquisitions and disposals accord with the overall strategy.
5. Ensure the effective use of premises, particularly in relation to utilisation and efficiency.
6. To receive reports from the agents, Schools Lettings Solutions (SLS) regarding the advertising and letting of the land and buildings out of Academy session times.
7. To ensure that the Academy complies with all relevant legislation pertaining to premises.

Attendance at meetings in the year was as follows:

TRUSTEE	NUMBER OF MEETINGS ATTENDED	OUT OF A POSSIBLE
Mrs Sheila Cooper (Chair)	3	3
Mrs Sian Belfield	3	3
Father Andrew Brown	0	3
Mrs Kathleen Cooper	3	3
Mr Paul Cowley (Headteacher)	3	3
Mrs Wendy Gibbons	3	3
Mr Stephen Gregson	2	3
Mr Andrew Marston	1	3
Mr Karl Roberts	2	3
Mr David Taylor	3	3
Mr Roy Websdell	3	3

The Audit & Risk Management Committee is a sub-committee of the Board of Trustees. Its purpose is:

1. To have in place a process for checking financial systems, controls, transactions and risks (internal scrutiny)
2. To achieve internal scrutiny which delivers objective and independent assurance.
3. To provide assurance to trustees that risks are being adequately identified and managed by:
    i. reviewing the risks to internal financial control at the Academy
    ii. agreeing a programme of work to address, and provide assurance on, those risks

4. To inform the governance statement that accompanies the annual accounts and, so far as is possible, provide assurance to the external auditors
5. To consider and advise the trust board on the assessment of overall audit needs
6. To advise the trust board on the appointment and remuneration of external auditors and the scope of their work
7. To guide the external auditor on the nature and scope of the audit as necessary
8. To consider and advise the trust board on external audit reports and management letters
9. To appoint the peer review (if this method is chosen) and set the overall scope of the checks
10. To review reports from the peer review on the effectiveness of the financial procedures and controls
11. To consider and advise the trust board on peer review and internal audit reports
12. To receive and review relevant reports relating to audit such as those prepared by the National Audit Office
13. To prepare an annual report for submission to the trust board on the work of the committee including an opinion on the effectiveness of the internal control system and the pursuit of value for money together with an assurance on risk management

Attendance at meetings in the year was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Mrs Julie Hughes (Chair)	2	2
Mrs Ronda Culshaw	1	2
Mrs Kathleen Cooper	1	1
Mrs Suzanne Dixon	1	2
Mr John Latham	2	2
Mr Mark McNulty	0	1
Mr Andrew Marston	2	2
Mr Roy Websdell	2	2

The Teaching School Committee is a sub-committee of the Board of Trustees. Its purpose is to:

1. Ensure that the Teaching School provision meets the statutory requirements, including those for reporting as set out by the Department for Education (DfE)
2. To review the aims of the Teaching School in relation to the DfE requirements and report to the governing body on progress against Key Performance Indicators.
3. To monitor the successful delivery of the Teaching School remit in line with the Teaching School Action Plan measured against the DfE Key Performance Indicators:

    - *co-ordinating and providing high-quality school-led initial teacher training (ITT);*
    - *providing high-quality school-to-school support to spread excellent practice, particularly to schools that need it most;*
    - *providing evidence-based professional and leadership development for teachers and leaders across their network.*

4. To advise on ways in which governors can be involved in Teaching School aspects of the School Development/ Plan for self-evaluation.
5. To prepare or review any Teaching School policy document which is the responsibility of the governing body.
6. To make recommendations to the governing body on designation, de-designation, re-designation, annual review or Teaching School Action Planning arrangements.

7. To consider all the available data provided by the school and its Teaching School Alliance and to set and publish targets within the National College for Teaching and Learning (NCTL)-specified time frames.
8. To monitor the impact of Teaching School status upon pupil progress in relation to the targets set and with specific reference to particular groups.
9. To monitor the impact of Teaching School strategic delivery on students' learning.
10. To receive reports, as decided by the whole governing body.
11. To comply with the requirements of the Disability Discrimination Act.

Attendance at meetings in the year was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Stephen Gregson (Chair)	1	1
Mrs Sheila Cooper	1	1
Mrs Teresa Cowell	0	1
Mr Paul Cowley (Headteacher)	0	1
Mrs Suzanne Dixon	0	1
Mr Andrew Marston	1	1
Mr Paul Phythian	0	1
Mr Roy Websdell	1	1

7.3 Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

PRINCIPLES OF BEST VALUE

The Board of Trustees applies the principles of best value:

Challenge - regularly reviewing the functions of the academy, challenging how and why services are provided and setting targets and performance indicators for improvement. Challenging proposals and examining them for effectiveness, efficiency and cost.

Compare - monitoring outcomes and comparing performance with similar academies

Consult - consulting appropriate stakeholders especially students and parents, about the services which the academy provides

Compete - securing competition to ensure that goods and services are purchased in the most economic, efficient and effective manner to meet the needs of the academy.

APPLICATION OF BEST VALUE PRINCIPLES

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

Improving educational results:

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

- Targeting resources in key areas such as literacy, numeracy and phonics
- Targeting support where it is most needed, for example Pupil Premium and SEN students
- Appointing a senior leader with specific responsibility for curriculum development
- Focusing on the needs of particular students and ensuring that the support they receive is relevant to them by increasing parents' involvement in their child's education, particularly for the 'hard to reach' students.
- Implementing a staff performance management system which ensures staff consistently deliver outstanding teaching and learning opportunities
- Introducing a mentoring system for GCSE students
- Further developing our National Teaching School status to support, encourage and raise attainment in other schools and to share good practice.
- Developing our status as a School Direct provider of Initial Teacher Training (ITT) and working with our alliance schools and HEI partners to develop an ITT model so that we can train the next generation of outstanding teachers.
- establishing our NCCE National Computing Hub
- Appointing an Inclusion Officer
- Updating our communication systems by introducing a new online parental and student communication system
- Achievement of an outstanding SIAMS (Statutory Inspection of Anglican and Methodist Schools) inspection.
- Introducing a staff wellbeing programme to ensure staff are healthy and well both mentally and physically which is crucial to whole school success

The effectiveness of these strategies is monitored and evidenced in our outstanding GCSE results.

Financial and governance oversight:

The Board of Trustees receives regular monitoring reports and is active in its role of challenging robustly. Trustees are invited to challenge decisions and ask relevant questions. The work of the Board of Trustees is further informed by Responsible Officer reports from CWR Chartered Accountants.

Better purchasing:

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

- Reviewing all contracts annually
- Adopting a formal tendering process for major purchases of supplies and services
- Requesting references from other schools when contracting with a new supplier
- To use LASBM approved partners where possible
- To collaborate with other schools to obtain further discount on purchases

Income generation:

Income generation potential is maximised by:

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

Reviewing controls and managing risks:

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

Actions taken to manage risk include:

- the academy is a member of the Risk Protection Arrangements (RPA) scheme
- professional expertise is sought for specialist advice where needed

Future Objectives:

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

7.4 The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Rawstorne Church of England Academy Trust for the year ended 31st August 2019 and up to the date of approval of the annual report and financial statements.

7.5 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 significant risks that has been in place for the year ended 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

7.6 The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Resources 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.

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

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

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

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

7.7 Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 10/12/19 and signed on its behalf by:

Mr A Marston
Chair of Trustees

Mr J P Cowley
Accounting Officer

Bishop Rawstorne Church of England Academy Trust
Statement on Regularity, Propriety and Compliance

Year Ended 31st August 2019

As Accounting Officer of Bishop Rawstorne Church of England Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & 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 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.

.....

Mr J P Cowley
Accounting officer

Date: 5/12/19

Bishop Rawstorne Church of England Academy Trust
Statement of Trustees' Responsibilities

Year Ended 31st August 2019

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report and Directors' Report) and the financial statements in accordance with the Academies Accounts Direction published 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 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 the incoming resources and application of resources, including its income and expenditure. In preparing these financial statements, the trustees are required to:

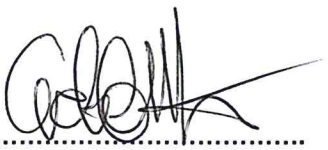
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education 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 the .....10/12/19..... and signed on its behalf by:



.....

Mr A Marston
Chair of Trustees

Year Ended 31st August 2019

Opinion

We have audited the financial statements of Bishop Rawstorne Church of England Academy Trust (the 'Academy Trust') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31st August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 financial statements 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 financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other Information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements 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.

(Continued)

Year Ended 31st August 2019

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 strategic report and the directors' 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

(Continued)

Year Ended 31st August 2019

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

.....RMM.....

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

Date: .....16/12/2019.....

Bishop Rawstorne Church of England Academy Trust

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

Year Ended 31st August 2019

In accordance with the terms of our engagement letter dated 31st August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Rawstorne Church of England Academy Trust during the year from the 1st September 2018 to the 31st August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bishop Rawstorne Church of England Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishop Rawstorne Church of England Academy Trust and the 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 Bishop Rawstorne Church of England Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Bishop Rawstorne Church of England Academy Trust funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from the 1st September 2018 to the 31st August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of Annex B of the Academies Accounts Direction 2018 to 2019 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(Continued)

Bishop Rawstorne Church of England Academy Trust

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

Year Ended 31st August 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from the 1st September 2018 to the 31st August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....RMMM.....

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

Date: .....16/12/2019.....

Bishop Rawstorne Church of England Academy Trust
Statement of Financial Activities (including Income and Expenditure Account)

Year Ended 31st August 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	**Total 2019 £000**	**Total 2018 £000**
Income and endowments from:						
Donations and capital grants	2	17	419	88	524	765
Charitable activities:						
Funding for the academy trust's educational operations	3	-	4,429	-	4,429	4,184
Teaching schools	27	11	48	-	59	57
Other trading activities	4	209	-	-	209	141
Investments	5	3	-	-	3	2
Total		240	4,896	88	5,224	5,149
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust's educational operations	7	69	4,873	94	5,036	4,911
Teaching schools	27	11	49	-	60	59
Other		-	-	-	-	-
Total	7	80	4,922	94	5,096	4,970
Net income/(expenditure)		160	(26)	(6)	128	179
Transfers between funds	15	(13)	(69)	82	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	15, 25	-	(469)	-	(469)	252
Net movement in funds		147	(564)	76	(341)	431
Reconciliation of funds:						
Total funds brought forward	15	621	(597)	8,052	8,076	7,645
Total funds carried forward	15	768	(1,161)	8,128	7,735	8,076

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Bishop Rawstorne Church of England Academy Trust
Balance Sheet

Year Ended 31st August 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	11		8,128		7,879
Current assets					
Debtors	12	152		148	
Cash at bank and in hand		1,417		1,390	
		1,569		1,538	
Liabilities					
Creditors: Amounts falling due within one year	13	(296)		(291)	
Net current assets			1,273		1,247
Total assets less current liabilities			9,401		9,126
Creditors: Amounts falling due after more than one year	14		(49)		(58)
Net assets excluding pension liability			9,352		9,068
Defined benefit pension scheme liability	25		(1,617)		(992)
Net assets including pension liability			7,735		8,076
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	15	8,128		8,052	
Restricted income fund	15	456		395	
Pension reserve	15	(1,617)		(992)	
Total restricted funds			6,967		7,455
Unrestricted income funds	15		768		621
Total funds			7,735		8,076

The financial statements on pages 27 to 52 were approved by the trustees, and authorised for issue on the ..... and are signed on their behalf by:

10.12.19

.....
Mr A Marston
Chair of Trustees

Company Limited by Guarantee
Registration Number: 07672781

Bishop Rawstorne Church of England Academy Trust

Statement of Cash Flows

Year Ended 31st August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	288	(213)
Cash flows from investing activities	21	(252)	427
Cash flows from financing activities	20	(9)	(9)
Change in cash and cash equivalents in the reporting period		27	205
Cash and cash equivalents at 1st September 2018		1,390	1,185
Cash and cash equivalents at 31st August 2019	22	1,417	1,390

1 Accounting policies

General information and basis of preparation

Bishop Rawstorne Church of England Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is Highfield Road, Croston, Leyland, PR26 9HH. The nature of the Academy Trusts operations and principal activities are set out in the Trustees' Report on page 4.

The financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

- **Grants receivable**

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

  General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

1 Accounting policies (continued)

Income (continued)

- **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 goods or services.

- **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".

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1 Accounting policies (continued)

Tangible fixed assets

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

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

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

The building valuation represents the value of leasehold assets as per the ESFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £7,972,000. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 125 year period (note 11).

1 Accounting policies (continued)

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.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

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 as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

1 Accounting policies (continued)

Financial instruments (continued)

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 as detailed in notes 13 and 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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 Accounting policies (continued)

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 Department for Education Group.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2019. 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.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
ESFA Capital Grants	-	88	88	460
Trips and other non-public funds	-	419	419	305
Other donations	17	-	17	-
	17	507	524	765

Income from donations and capital grants was £524,000 (2018 - £765,000) of which £17,000 (2018 - £nil) was attributable to unrestricted funds, £419,000 (2018 - £305,000) was attributable to restricted general funds and £88,000 (2018 - £460,000) was attributable to restricted fixed asset funds.

£88,000 (2018 - £460,000) of government grants were received for capital and maintenance works.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,255	4,255	4,085
Other DfE Group grants	-	153	153	82
	-	4,408	4,408	4,167
Other Government grants				
Local Authority grants	-	21	21	17
	-	21	21	17
Other income from the Academy Trust's educational operations	-	-	-	-
	-	4,429	4,429	4,184

Funding for Academy Trust's educational operations was £4,429,000 (2018 - £4,184,000) of which £nil (2018 - £nil) was attributable to unrestricted funds, £4,429,000 (2018 - £4,184,000) was attributable to restricted general funds and £nil (2018 - £nil) was attributable to restricted fixed asset funds.

£4,429,000 (2018 - £4,184,000) of government grants were received for the purposes of the day to day running costs of the academy and its charitable objectives.

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	56	-	56	40
Catering income	34	-	34	32
Sale of educational goods and services	10	-	10	7
Exam related fees	1	-	1	1
School Direct Income	108	-	108	61
	209	-	209	141

Income from other trading activities was £209,000 (2018 - £141,000) of which £209,000 (2018 - £141,000) was attributable to unrestricted funds, £nil (2018 - £nil) was attributable to restricted general funds and £nil (2018 - £nil) was attributable to restricted fixed asset funds.

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	3	-	3	2
	3	-	3	2

Investment income was £3,000 (2018 - £2,000) of which £3,000 (2018 - £2,000) was attributable to unrestricted funds, £nil (2018 - £nil) was attributable to restricted general funds and £nil (2018 - £nil) was attributable to restricted fixed asset funds.

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2019 £000	Total 2018 £000
Academy Trust's educational operations					
Direct costs	3,195	75	780	4,050	3,788
Allocated support costs	576	350	60	986	1,123
Teaching School:					
Direct costs	43	-	3	46	40
Allocated support costs	10	-	4	14	19
	3,824	425	847	5,096	4,970

£80,000 (2018 - £70,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £4,922,000 (2018 - £4,816,000) was attributable to restricted general funds and £94,000 (2018 - £84,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2019 £000	2018 £000
Operating lease rentals	12	11
Depreciation	94	84
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to the auditor for:		
Audit	4	4
Other services	7	7
	117	106

No transactions have taken place under Section 3.1.2 of the 2018 Academies Financial Handbook which require additional disclosure.

7 Charitable activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	4,050	3,788
Direct costs – teaching school	46	40
Support costs – educational operations	986	1,123
Support costs – teaching school	14	19
	5,096	4,970

Analysis of support costs	Educational operations £000	Teaching school £000	Total 2019 £000	Total 2018 £000
Support staff costs	576	10	586	489
Depreciation	19	-	19	17
Premises costs	331	-	331	544
Other support costs	46	4	50	80
Governance costs	14	-	14	12
Total support costs	986	14	1,000	1,142

8 Staff

(a) Staff costs

	2019 £000	2018 £000
Staff costs during the period were:		
Wages and salaries	2,858	2,685
Social security costs	289	272
Pension costs	650	539
	3,797	3,496
Agency staff costs	27	102
Staff restructuring costs	-	-
	3,824	3,598
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	-	-

(b) Non-statutory / non-contractual staff severance payments

There were no non-statutory / non-contractual severance payments paid in either the current or previous period.

(c) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full-time equivalents, was as follows:

	2019 Number	2019 Full-time equivalent	2018 Number	2018 Full-time equivalent
Teachers	51	50	50	48
Administration and support	26	17	28	18
Management	8	8	7	7
	85	75	85	73

8 Staff (continued)

(d) Higher paid staff

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

	2019 No.	2018 No.
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	2	2

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £642,000 (2018 - £572,000). It is noted the number of individuals in key management increased in the year and this is reflected in the increase in cost.

9 Related party transactions - Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

J P Cowley (Headteacher and trustee):	
Remuneration	£95,000 - £100,000. (2018: £90,000 - £95,000)
Employers' pension contributions	£15,000 - £20,000. (2018: £15,000 - £20,000)
W Gibbons (staff trustee):	
Remuneration	£15,000 - £20,000. (2018: £10,000 - £15,000)
Employers' pension contributions	£nil - £5,000. (2018: £nil - £5,000)
E Palmer (staff trustee):	
Remuneration	£40,000 - £45,000. (2018: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000. (2018: £5,000 - £10,000)

During the year ended the 31st August 2019, no travel and subsistence expenses were reimbursed or paid directly to trustees (2018: £nil). Other related party transactions involving the trustees are set out in note 26.

10 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	**Total £000**
Cost					
At 1st September 2018	8,120	55	103	27	**8,305**
Additions	293	-	24	26	**343**
At 31st August 2019	8,413	55	127	53	**8,648**
Depreciation					
At 1st September 2018	260	51	88	27	**426**
Charged in period	67	3	17	7	**94**
At 31st August 2019	327	54	105	34	**520**
Net book values					
At 31st August 2018	7,860	4	15	-	**7,879**
At 31st August 2019	8,086	1	22	19	**8,128**

12 Debtors

	2019 £000	**2018 £000**
Trade debtors	42	23
VAT recoverable	6	10
Other debtors	53	43
Prepayments and accrued income	51	72
	152	148

13 Creditors: amounts falling due within one year

	2019 £000	**2018 £000**
Trade creditors	41	83
Other taxation and social security	73	68
Other creditors	123	89
Accruals and deferred income	59	51
	296	291

14 Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Salix Loans	49	58
	49	58

Other creditors relates to a loan received to fund energy efficient projects in the academy funded via the ESFA Salix scheme with no interest charged on the balance outstanding. The cost of repaying the loan will be offset by the energy cost savings resulting from the works carried out. Loan repayments are made in September and March of each year for the life of the loan.

The total repayable after more than five years is £10,000.

15 Funds

	Balance at 1st September 2018 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31st August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	380	4,255	(4,123)	(69)	443
Pupil Premium	-	83	(83)	-	-
Other DfE/ESFA grants	9	70	(71)	-	8
Local Authority Grants	-	21	(21)	-	-
Teaching school	6	48	(49)	-	5
Other restricted funds	-	419	(419)	-	-
Pension reserve	(992)	-	(156)	(469)	(1,617)
	(597)	4,896	(4,922)	(538)	(1,161)
Restricted fixed asset funds					
DfE/ESFA capital grants	173	88	-	(261)	-
Other capitalised assets	19	-	(27)	50	42
ESFA building valuation	7,860	-	(67)	293	8,086
	8,052	88	(94)	82	8,128
Total restricted funds	7,455	4,984	(5,016)	(456)	6,967
Total unrestricted funds	621	240	(80)	(13)	768
Total funds	8,076	5,224	(5,096)	(469)	7,735

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2019. At the period end the carry forward of GAG funding was £443,000.

15 Funds (continued)

Other DfE/ESFA grants include monies received outside of GAG funding for example the Teacher Pay Grant. At the period end the carry forward of these grants was £8,000.

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding. As at the 31st August 2019 these funds had been spent in full.

The National College and Teaching School grants include income received in relation to the Teaching School status the Academy has obtained. Teaching schools give outstanding schools a leading role in the training and professional development of teachers, support staff and headteachers, as well as contributing to the raising of standards through school-to-school support. As at the year end £5,000 of the funding received was unspent.

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

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit had increased to £1,617,000 at the 31st August 2019.

DfE/ESFA capital grants represent capital monies received during the period from the ESFA, predominantly from the Capital Improvement Fund. All of these funds had been utilised at the year end.

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

The ESFA building valuation represents the value of leasehold assets as per the ESFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £7,972,000. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 125 year period.

Unrestricted funds represents funds generated via activities such as from Teaching School / Schools Direct activities, lettings, catering and bank interest receivable. The surplus on this fund at the period end was £768,000 and these funds can be used at the discretion of the Trustees to meet the charitable objectives of the Academy.

15 Funds (continued)

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

	Balance at 1st September 2017 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31st August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	326	4,085	(4,283)	252	380
Pupil Premium	-	75	(75)	-	-
Other DfE/ESFA grants	11	20	(22)	-	9
Local Authority Grants	-	4	(4)	-	-
National College Grant	7	-	(7)	-	-
Teaching school	8	48	(50)	-	6
Other restricted funds	-	305	(305)	-	-
Pension reserve	(1,174)	-	(70)	252	(992)
	(822)	4,537	(4,816)	504	(597)
Restricted fixed asset funds					
DfE/ESFA capital grants	-	460	-	(287)	173
Other capitalised assets	21	-	(19)	17	19
ESFA building valuation	7,907	-	(65)	18	7,860
	7,928	460	(84)	(252)	8,052
Total restricted funds	7,106	4,997	(4,900)	252	7,455
Total unrestricted funds	539	152	(70)	-	621
Total funds	7,645	5,149	(4,970)	252	8,076

16 Analysis of net assets between funds

Fund balances at 31st August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	8,128	8,128
Current assets	768	801	-	1,569
Current liabilities	-	(296)	-	(296)
Non-current liabilities	-	(49)	-	(49)
Pension scheme liability	-	(1,617)	-	(1,617)
Total net assets	768	(1,161)	8,128	7,735

16 Analysis of net assets between funds (continued)

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,879	7,879
Current assets	621	744	173	1,538
Current liabilities	-	(291)	-	(291)
Non-current liabilities	-	(58)	-	(58)
Pension scheme liability	-	(992)	-	(992)
Total net assets	621	(597)	8,052	8,076

17 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	173

18 Commitments under operating leases

Operating leases

At 31st August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	13	12
Amounts due between one and five years	25	27
Amounts due after five years	-	-
	38	39

19 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2019 £000	2018 £000
Net income for the reporting period (as per the Statement of Financial Activities)	128	179
Adjusted for:		
Depreciation (note 11)	94	84
Capital grants from DfE and other capital income	(88)	(460)
Interest receivable (note 5)	(3)	(2)
Defined benefit pension scheme cost less contributions payable (note 25)	129	43
Defined benefit pension scheme finance cost (note 25)	27	27
(Increase)/decrease in debtors	(4)	49
Increase/(decrease) in creditors	5	(133)
Net cash provided by/(used in) operating activities	288	(213)

20 Cash flows from financing activities

	2019 £000	2018 £000
Repayments of borrowing	(9)	(9)
Cash inflows from borrowing	-	-
Net cash (used in) financing activities	(9)	(9)

21 Cash flows from investing activities

	2019 £000	2018 £000
Dividends, Interest and rent from investments	3	2
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(343)	(35)
Capital grants from DfE/ESFA	88	460
Capital funding received from sponsors and others	-	-
Net cash (used in)/provided by investing activities	(252)	427

22 Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	1,417	1,390
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,417	1,390

23 Contingent Liabilities

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

24 Members' Liability

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

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £8,579 (2018: £8,171) were payable to the schemes at 31st August 2019 and are included within creditors.

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 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

25 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The latest actuarial valuation of the TPS was carried out as at 31st March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% 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% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1st September 2019.

The pension costs paid to TPS in the period amounted to £612,000 (2018: £588,000).

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 contribution made for the year ended 31st August 2019 was £134,000 (2018: £128,000), of which employer's contributions totalled £107,000 (2018: £102,000) and employees' contributions totalled £27,000 (2018: £26,000). The agreed contribution rates for future years are 17.5% for employers and the rate for employees remains dependant on the salary of the employee.

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

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31st August 2019	At 31st August 2018
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment/inflation	2.1%	2.2%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation assumption (CPI)	2.0%	2.1%

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

	At 31st August 2019	At 31st August 2018
Retiring today		
Males	22.8	22.7
Females	25.5	25.4
Retiring in 20 years		
Males	25.1	25.0
Females	28.2	28.0

Sensitivity analysis

	Central £000	Sensitivity 1 +0.1% pa discount rate £000	Sensitivity 2 +0.1% pa inflation £000	Sensitivity 3 +0.1% pa pay growth £000	Sensitivity 4 1 year inc in life expectancy £000
Liabilities	3,416	3,338	3,496	3,434	3,476
Assets	(1,799)	(1,799)	(1,799)	(1,799)	(1,799)
Deficit	1,617	1,539	1,697	1,635	1,677
Projected service cost	185	181	190	185	189
Projected net interest	28	28	30	28	29

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31st August 2019	Fair value at 31st August 2018
Equities	860	651
Government Bonds	-	50
Other Bonds	29	9
Property	158	136
Cash and other liquid assets	32	13
Other	720	622
Total market value of assets	1,799	1,481

The actual return on scheme assets was £200,000 (2018: £81,000).

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	(29)	(41)
Past service cost	(98)	-
Interest income	43	34
Interest expense	(70)	(61)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	(2)	(2)
Total operating charge	(156)	(70)

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

	2019 £000	2018 £000
At 1st September	2,473	2,472
Current service cost	136	143
Past service cost	98	-
Interest cost	70	61
Employee contributions	27	26
Actuarial loss/(gain)	625	(206)
Benefits paid	(13)	(23)
At 31st August	3,416	2,473

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

	2019 £000	2018 £000
At 1st September	1,481	1,298
Interest Income	43	34
Return on plan assets (excluding interest income)	-	-
Administrative Expenses	(2)	(2)
Assets Distributed on settlements	-	-
Actuarial gain	156	46
Employer contributions	107	102
Employee contributions	27	26
Benefits paid	(13)	(23)
Effect of non-routine settlements	-	-
At 31st August	1,799	1,481

26 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1st April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

27 Teaching school trading account

	2019 £000	2019 £000	2019 £000	2018 £000	2018 £000	2018 £000
Income						
Direct income:						
Grant income		48			48	
Other income:						
Trading Activities		11			9	
			59			57
Expenditure						
Direct costs:						
Direct staff costs	43			39		
Other direct costs	3			1		
Total direct costs		46			40	
Other costs:						
Support staff costs	10			9		
Training and Support costs	2			8		
Other support costs	2			2		
Total other costs		14			19	
Total expenditure			60			59
(Deficit) from all sources			(1)			(2)
Teaching school balances brought forward			6			8
Teaching school balances carried forward			5			6