

BURY COLLEGE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

BURY COLLEGE EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 – 2
Trustees' Report	3 – 14
Governance Statement	15 – 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 – 20
Independent Reporting Accountant's Report on Regularity	21 – 22
Statement of Financial Activities including Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements including accounting policies	26 – 42

BURY COLLEGE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Name	Commencing	Ceasing
Peter Nicol (subscriber to the Memorandum of Association)	11 November 2013	-
Roger Holt (subscriber to the Memorandum of Association)	11 November 2013	-
Charlie Deane (Corporate Member)	11 November 2013	-
Christopher Trees (subscriber to the Memorandum of Association)	11 November 2013	-
Mark Granby (Chair of Trustees)	25 January 2016	

Trustees

Name	Date of appointment	Term of Office	Date of resignation	Committees
Charlie Deane	November 2013	4 years	-	N/A
Peter Nicol	November 2013	4 years	-	Audit Committee
Roger Holt	November 2013	4 years	-	Audit Committee
Christopher Trees	November 2013	4 years	-	Audit Committee
Mark Granby	January 2016	4 years	-	N/A
Sarah Cottam	November 2014	4 years	25 January 2016	Audit Committee

Local Governing Body: Radcliffe Primary School

Name	Date of appointment	Term of Office	Date of resignation	Designation
Glyn Whitworth – Chair	January 2014	4 years	-	Community
Beverley Baines	May 2014	4 years	Resigned May 2016	Staff
Paul Coates	January 2014	4 years	-	Community
Jane Chapman	January 2014	4 years	Resigned May 2016	Community
Brian Langan	January 2014	4 years	-	Community
Mark Taylor	January 2014	4 years	-	Parent
Raffaele Tucillo	January 2014	4 years	-	Community
Jenny Broadhurst	June 2015	Ex officio	-	Head Teacher
Ahmed Khan	July 2016	4 years	-	Parent
Belinda McKenna	January 2016	4 years	-	Staff

Local Governing Body: Elton Primary School

Name	Date of appointment	Term of Office	Date of resignation	Designation
Sandra Morton	September 2014	4 years	-	Community
Tehseen Ali	September 2014	4 years	-	Community
Gemma Capps	November 2014	4 years	-	Parent
Tony Emmott	September 2014	Ex officio	-	Head Teacher
Cath How - Chair	September 2014	4 years	9 May 2016	Community
Kamran Kayani	February 2015	4 years	-	Community
Jodie Lomax	November 2014	4 years	-	Parent
Ray Parkinson	February 2015	4 years	-	Community
Shirley Whittle	November 2015	4 years	-	Staff

Sandra Morton became Chair following Cath How's resignation

BURY COLLEGE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Clerk to the Trustees	Frank Hardman		
Registered Office	Bury College Education Trust Beacon Centre Market Street Bury BL9 0AT		
Company Registration Number	08769073 (England and Wales)		
Chief Executive Officer and Accounting Officer	Charlie Deane		
Principal Finance Officer	Andrew Harrison		
Independent Auditors	Mazars LLP The Lexicon Mount Street Manchester M2 5NT		
Bankers	Barclays Bank plc 2nd Floor 1 Park Row Leeds LS1 5WU		
Solicitors	The College has not appointed Solicitors but takes legal advice from appropriate legal firms depending on area of expertise.		
Company Secretary	Andrew Harrison		
Senior Management Team:			
Radcliffe Primary School	Elton Primary School		
Head Teacher	Jenny Broadhurst	Head Teacher	Tony Emmott
Deputy Head Teacher	Belinda McKenna	Deputy Head Teacher	Melissa Slonecki
Business Manager	Clare Tooth	Business Manager (To 04/16)	Julie Ogden
Assistant Head Teacher (To 12/15)	Nicola Davies	Business Manager (From 04/16)	Clare Tooth
Head of KS2 (To 03/16)	Nicola Davies		
Head of KS1	Katrina Smith		

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their Annual Report together with the Financial Statements and Auditors' Report of the charitable Company for the year ended 31 August 2016. The Annual Report serves the purpose of both a Trustees' Report and a Directors' Report under Company Law.

The Trust operates two primary schools in the borough of Bury: Radcliffe Primary School and Elton Primary School. Elton Primary School joined the Trust on 1 September 2014. Elton has a pupil capacity of 333 and had a roll of 303 in the School Census on 06/10/16. Radcliffe has a capacity of 350 and had 306 pupils on roll on census day.

Structure, governance and management

Constitution

The charitable Company was incorporated on 11 November 2013. The Company's number is 08769073 and its Registered Office address is Bury College, Beacon Centre, Market Street, Bury, BL9 0AT.

Bury College Education Trust (BCET) is a Company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Bury College Education Trust are also the Directors of the Charitable Company for the purposes of company law. Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Further details are disclosed in note 9 to the financial statements.

Method of recruitment and appointment or election of trustees

A trustees' term of office is four years but they are eligible for re-election at the meeting at which they retire. The Chair is elected annually by the trustees. The management of the academy trust is the responsibility of the trustees who are appointed and co-opted under the terms of the articles of association.

The trustees appoint separate committees known as local governing bodies for each academy, which operate according to the trust's scheme of delegation. The establishment, terms of reference, constitution and membership of any committee of the directors may be reviewed annually.

Policies and procedures adopted for the induction and training of trustees

All new trustees have an induction meeting usually with the clerk and the chair. The training and induction process will depend on their existing experiences. Trustees are advised of relevant training and development opportunities and in house training takes place on a regular basis. Trustees have access to all policies, improvement plans, minutes and other relevant documentation they need to undertake their role as a trustee.

Organisational structure

The trust's board retains ultimate accountability and responsibility for the operation of the trust and is responsible for the strategic management of the trust; setting the strategic direction; adopting an annual plan and budget; monitoring key performance indicators including fiscal management; the oversight of audit requirements and audit activities of the trust, capital expenditure and senior staff appointments.

There are different layers of leadership and management within the BCET. The trust's board outlines clear divisions of accountability and responsibility.

- Trust's board: the trust's board retains ultimate accountability as trustees and responsibility for the operation of the trust.
- Local governing bodies: each of the academies within the BCET has its own local governing body which is accountable to the trust's board. Each local governing body discharges duties on behalf of the trust's board and works within the remit of an agreed and understood scheme of delegation.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

- Senior leadership teams in the schools made up of the head teacher and others who have to manage the schools to meet local governing body needs.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the two academy head teachers is reviewed and set by the Trust Board. The pay award for the staff is set by the Local Governing Body.

Related parties and other connected charities and organisations

Bury College is the sponsor of Bury College Education Trust. The College nominates trustees some of which are College governors. It sets overall educational strategy and monitors financial performance. There are a few transactions between the parties following a provision of services. These are always recharged at cost price and are described in note 19.

Bury College, as part of the Area Review of further education in Greater Manchester, is in an advanced stage of a merger with Bolton College and the University of Bolton. The institutions are awaiting a decision from the DfE which will determine the future legal structure of the merged institutions. This presents an exciting opportunity for the academy trust (which will continue as a separate legal entity) as the new sponsor will be able to offer enhanced support and opportunities.

Objectives, strategies and activities

Objects and aims

The principal object and activity of the academy trust is the operation of academies to provide education for pupils of different abilities. Academies are independent schools which provide education for pupils of different abilities who are wholly or mainly drawn from the area in which the academy is situated. The academies do not impose any charge in respect of admission of pupils.

The over-arching commitment of the trust is to: **'Maximise achievement and make a difference – for all children.'**

Our values:

We promise our pupils that we will:

1. Keep you safe
2. Listen to you
3. Treat you fairly
4. Make learning fun
5. Help you
6. Recognise your efforts
7. Help you be your best
8. Be there

We promise our parents that we will:

1. Nurture your child
2. Be welcoming and approachable
3. Communicate regularly
4. Provide an excellent education
5. Meet each child's individual needs
6. Involve you
7. Be there

The academy promises its staff that we will:

1. Respect
 2. Listen
 3. Value your contribution
 4. Give you opportunities to develop
 5. Provide the tools to do your job
 6. Communicate effectively
-

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7. Work as a team
8. Encourage work life balance
9. Be there

Objectives, strategies and activities

The trust's main strategy is to raise standard of progress and achievement through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the trust is teaching and learning and therefore the standards achieved by its students.

Key activities which support the main strategic purpose of the organisation are:

- quality of teaching and learning processes which are transparent and inform all subsequent actions;
- secure use of data and tracking to measure progress and inform actions and interventions;
- school attendance monitoring; and
- children taking part in progressively more challenging outdoor education experiences.

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the academy.

In delivering its mission, the trust provides public benefits through the advancement of education, high-quality teaching and learning and pastoral care.

Admissions

Children are admitted using Bury Council's Admissions Policy and Process. Schools can allocate places to any potential pupil should a place be available. Reception admissions are handled by the Local Authority where there is a set deadline for applications. If this deadline is met the following criteria determines allocation of places;

- Looked after children
- Those with siblings already in school
- Shortest distance from school

Reception admissions would be the only time a 'catchment area' would come into consideration and only when the demand for places was greater than availability. If parents fail to obtain a place they can appeal - appeals are overseen by the Local Authority Admissions Team at the moment.

Strategic report

Radcliffe Primary School

Radcliffe Primary School is a larger than average sized primary school. Most pupils are of White British heritage and speak English as their first language. An above average proportion of pupils are known to be eligible for free school meals. The proportion of disabled pupils and those who have special educational needs is similar to the national average. Children are admitted following Bury's Admissions criteria.

The trust, through the local governing body, sets challenging targets for the Radcliffe Primary School on an annual basis. These targets are based on our commitment that we will 'maximise achievement and make a difference - for all children'.

End of Key Stage 1 outcomes:

Level 2+	School 2013	School 2014	National 2014	School 2015	National 2015
Reading	92%	90%	90%	78%	91%
Writing	89%	79%	86%	67%	88%
Mathematics	95%	88%	92%	82%	93%

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Level 2b+	School 2013	School 2014	National 2014	School 2015	National 2015
Reading	92%	79%	81%	60%	82%
Writing	59%	48%	70%	40%	72%
Mathematics	89%	75%	80%	69%	82%
Level 2+	School 2014	National 2014	School 2015	National 2015	
Reading	33%	31%	0%	32%	
Writing	0%	16%	0%	18%	
Mathematics	19%	24%	0%	26%	

End of academic year results 2016:

Good Level of Development Early Years Foundation Stage		
2016	2015	National in 2015
68.8%	62%	66%

Phonics Screening Current Year One		
2016	2015	National in 2015
63%	22%	77%

Phonics Screening Current Year Two Retakes		
2016	2015	National in 2015
60%	21%	64%

NOTE: KS1 and KS2 assessments/curriculum has changed since last year so a direct comparison between 2015 and 2016 cannot be made.

KS1	2016
Maths	60%
Reading	58%
Writing	55%

KS2	2016
Writing	70%
SPAG	46%
Maths	38%
Reading	35%

R/W/M	27%
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BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Radcliffe Primary School – School development plan from January 2015 – July 2015:

- The previous head teacher and deputy head left Radcliffe Primary in December 2014 and in January 2015 a new deputy head was appointed and an executive head was employed for two days a week. Following their appointments, a new development plan was written.
- The previous head teacher had graded the majority of teaching at the school as good or outstanding. These gradings were inconsistent with the data outcomes at the school and the standards of work in pupils' books.
- The new executive head teacher and deputy head teacher did not accept these previous gradings and began the task of collecting evidence, via tests, book scrutinies and classroom observations to establish the current standard of teaching and learning at the school.
- In June 2015 the deputy head teacher was appointed as head and a new deputy head teacher joined the school in September 2015.
- The new head teacher and deputy head teacher have therefore been in post one full academic year.

2016/2017 School improvement priorities

Key Priority 1: Teaching and Learning

Improve the quality of teaching so that it is consistently good and moving towards outstanding in order to accelerate progress and raise pupils' achievement in English and Mathematics by:

- Making sure that teachers' expectations of what pupils can achieve are always high enough.
- Ensuring that teachers always provide work that is challenging enough and meets pupils' needs.
- Making sure that teachers always ask questions that challenge pupils to extend their learning and deepen their understanding.
- Providing opportunities for teachers to observe and share existing good and outstanding teaching across the school and in other schools to enable them to improve their skills.

Key Priority 2: Leadership and management

Improve and strengthen all leadership and management in the school in order to rapidly raise standards of attainment and progress by:

- Ensuring SLT roles and responsibilities are secure and impacting on achievement, progress of children and quality of teaching.
- Developing the skills of middle leaders and ensuring that leadership responsibilities are distributed more widely across the staff.
- Ensuring all pupil groups are identified, strengths and areas for development recognised and support/intervention planned is effectively starting to close any attainment gaps.
- Ensuring that members of the governing body are more fully aware of performance in all areas of school life, but particularly in relation to pupils' achievements, in order that they can challenge the leadership with the utmost rigour.

Key Priority 3: Personal development, behaviour and welfare

To promote self-responsibility, respect and tolerance for others as part of pupils' spiritual, moral, social and cultural development by:

- Developing children's abilities to be reflective about their own beliefs, religious or otherwise, that inform their perspective on life and their interest in and respect for different people's faiths, feelings and values.
- Developing a Growth Mindset philosophy.
- Introducing half termly whole school values and working towards Value based Education.
- Increasing pupil involvement in developing aspects of SMSC.
- Enabling greater parental engagement.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Elton Primary School

Elton Primary School is a larger than average sized primary school. The majority of pupils are of White British heritage and speak English as their first language. An above average proportion of pupils are known to be eligible for free school meals. The proportion of disabled pupils and those who have special educational needs is similar to the national average. Children are admitted following Bury's Admissions criteria.

The trust, through the local governing body, sets challenging targets for the school on an annual basis. These targets are based on our commitment that we will 'maximise achievement and make a difference - for all children'.

Due to new assessment systems being introduced for 2016, direct comparisons cannot be made with data from previous years. 2016 data is shown beneath each 2013 – 2015 table.

Reading

End of Key Stage 2 outcomes (2013 – 2015):

	2013	2014	2015
School Level 4+	70%	91%	91%
National Level 4+	86%	89%	89%
School Level 5	38%	48%	44%
National Level 5	44%	49%	48%

End of Key Stage 2 outcomes (2016):

	2016
School % Achieving Expected Standard	55%
National % Achieving Expected Standard	66%

Writing

End of Key Stage 2 outcomes (2013 – 2015):

	2013	2014	2015
School Level 4+	68%	83%	91%
National Level 4+	83%	85%	87%
School Level 5	10%	26%	25%
National Level 5	30%	33%	36%

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

End of Key Stage 2 outcomes (2016):

	2016
School % Achieving Expected Standard	61%
National % Achieving Expected Standard	74%

Grammar, punctuation and spelling

End of Key Stage 2 outcomes (2013 – 2015):

	2013	2014	2015
School Level 4+	60%	87%	81%
National Level 4+	74%	76%	80%
School Level 5	35%	48%	38%
National Level 5	47%	52%	55%

End of Key Stage 2 outcomes (2016):

	2016
School % Achieving Expected Standard	65%
National % Achieving Expected Standard	72%

Mathematics

End of Key Stage 2 outcomes (2013 – 2015):

	2013	2014	2015
School Level 4+	73%	96%	91%
National Level 4+	85%	86%	87%
School Level 5*	30%	65%	34%
National Level 5	41%	42%	41%

End of Key Stage 2 outcomes (2016):

	2016
School % Achieving Expected Standard	61%
National % Achieving Expected Standard	70%

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Progress of pupils from Key Stage 1 to Key Stage 2 (2013 – 2015):

	School 2013	School 2014	National 2014	School 2015	National 2015
% achieving 2 levels of progress in Reading	77%	95%	91%	94%	91%
% achieving 2 levels of progress in Writing	74%	91%	93%	97%	94%
% achieving 2 levels of progress in Mathematics	79%	100%	89%	91%	90%

Progress of pupils from Key Stage 1 to Key Stage 2 (2016):

	School 2016
Reading progress score	-2.2
Writing progress score	-2.4
Mathematics progress score	-0.8

End of Key Stage 1 outcomes:

Level 2+	School 2013	School 2014	National 2014	School 2015	National 2015
Reading	89%	93%	90%	84%	90%
Writing	84%	87%	86%	82%	88%
Mathematics	89%	90%	92%	90%	93%

Level 2b+	School 2013	School 2014	National 2014	School 2015	National 2015
Reading	76%	83%	81%	74%	82%
Writing	58%	47%	70%	68%	72%
Mathematics	82%	60%	80%	79%	82%

Level 3	School 2014	National 2014	School 2015	National 2015
Reading	20%	31%	24%	32%
Writing	7%	16%	18%	18%
Mathematics	17%	24%	26%	26%

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The following table shows end of Key Stage One outcomes (2016):

	Working At	Greater Depth	Total	National 2016
Reading	49%	23%	72%	74%
Writing	38%	9%	47%	66%
Mathematics	49%	12%	61%	73%

Year One Phonics Check

	2013	2014	2015	2016
Check	31%	69%	43%	67%
Re-Check (Y2)	50%	68%	46%	83%

The national figure for 2016 Year One Phonics Check is 81%.

Early Years Foundation Profile

	2013	2014	2015	2016
Good Level of Development	50%	56%	56%	66%

The national figure for 2016 EYFS Good Level of Development is 69%.

Elton Primary - School improvement plan 2015/2016

The school improvement plan is based on a thorough analysis of 2015 outcomes and longer term trends. It identifies five key priorities to improve the quality of both teaching and learning with an overarching emphasis on improving pupil achievement. The five priorities are:

Key Priority 1: Raise the attainment and progress in Reading by;

- ensuring effective leadership in phonics;
- improving teacher knowledge and delivery of phonics;
- improving fluency of Reading for understanding and enjoyment;
- raising the profile of Reading in the school community;
- improving levels of comprehension and application of Reading skills; and
- improving higher order reading skills through inference, deduction and interrogation of text.

Key Priority 2: Ensure that teaching is consistently good or better in order to raise pupils' achievement in Maths by;

- maintaining pace and engagement of pupils throughout lessons;
 - developing fluency and confidence in the manipulation of number and the ability to apply to real-life situations;
 - employing a range of reasoning and problem solving activities throughout the week as an integral part of the daily Maths lesson;
 - ensuring a high level of challenge for pupils throughout class (especially the more able) through effective planning, appropriate differentiation and deeper questioning;
 - using Maths working wall to develop independent learning including the use of the Visual Calculation Policy;
 - deploying and managing support effectively to accelerate pupil progress; and
 - further developing effective marking and feedback with evidence of children's responses.
-

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Priority 3: Implement changes to assessment systems ensuring positive impact on pupil achievement by;

- introducing banded assessment criteria for Reading, Writing and Maths;
- using Target Tracker to record and analyse pupil achievement;
- ensuring consistency in assessment outcomes through internal/external moderation;
- communicating expectations and outcomes to parents; and
- implementing effective monitoring and reporting systems.

Key Priority 4: Develop the role of subject leaders and ensure they contribute effectively towards the raising of standards in teaching and learning across the curriculum by;

- enabling subject leaders to carry out their roles effectively;
- further developing subject leader peer support systems and providing bespoke coaching for selected subject leaders;
- further developing subject leader knowledge of their curriculum areas;
- facilitating the monitoring of the quality of teaching and learning through planning, book scrutiny and pupil voice; and
- facilitating the evaluation of pupil achievement.

Key Priority 5: Improve resourcing, staff knowledge/confidence and pupil outcomes in computing by;

- investing in the computing infrastructure within school (i.e. to improve the wireless capability);
- investing in computing hardware and related software to enhance the curriculum;
- providing staff training relating to new hardware and the computing curriculum;
- developing pupils' computing skills and the cross-curricular use of computing;
- ensuring that the development of computing is supported, monitored and evaluated by the subject leader; and
- computing resources are used effectively within the curriculum and supporting homework.

Equal opportunities and employment of disabled persons

Equal opportunities are promoted throughout the academy in all aspects of our work and learning. We want all our pupils regardless of gender, to have access to all curricular opportunities on an entirely equal basis. We also apply this principle to reflect and value all cultures, countering discrimination and prejudice of all kinds. Our comprehensive Equality and Inclusion Policy is available from the schools.

Disability statement

The trust seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Need and Disability Acts of 2001 and 2005 by:

- ensuring any building and grounds modifications are completed at the appropriate DDA level;
- the policy of the academy is to support recruitment and retention of staff with disabilities; and
- the academy has an Accessibility Plan which it reviews as part of the Site Development Plan.

Financial objectives:

The trust's financial objectives are:

- to manage school budgets effectively, avoiding any deficit, ideally maintaining an operating surplus of between 5% and 8% of school budget;
- to pursue alternative sources of funding, on a selective basis to improve the schools; and
- to fund continued capital investments.

The academy achieved these objectives in the year ending 31 August 2016.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

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

Financial review

The trust has carefully managed its funds during the year. During the year, the Trust received £601,000 of Condition Improvement Fund Grants from the EFA to fully finance remedial repair work at Elton Primary School (Rewire and Fire Safety £333,000) and Radcliffe Primary School (Water Services and Roofing £268,000). The work was completed in the year. Excluding the effect of the transfer of the Local Government Pension Scheme deficit, the net incoming resources on the unrestricted and restricted general fund were £18,000 (2015: £172,000).

The cash position of the Trust remains strong at £695,000 (2015: £833,000).

The risk and control framework

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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The trust has undertaken work during the year to develop and embed risk management. Trustees are responsible for the overseeing of the risks faced by the academy and the detailed considerations of risk are delegated to the senior leadership team. The academy's risk register is reviewed by the trustees and by the local governing bodies, who look at the major risks to which the academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the academy and its finances.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Louise Staunton, the FD of the Manchester Health Academy to perform peer reviews.

Reserves policy

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

The trustees will always try to match income and expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate minimum level of free reserves should be equivalent to one month's payroll cost, approximately £170,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The Trust will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used, the Trust will strive to rebuild free reserves up to the level needed.

The Balance of the restricted general fund and unrestricted general fund is £682,000 (2015: £567,000).

Investment policy

Investments are approved by the trust's board and liaised with on recommendations regarding levels of cash balances and investment opportunities.

BURY COLLEGE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Pension Liability

The Trust has a Defined Pension Liability of £1,546,000 (2015: £842,000) for the Greater Manchester Pension Fund as forecast using FRS102 by the Fund's Actuaries. The Trustees consider that the Trust is able to meet its known annual contributions to the Fund for the foreseeable future.

Principal risks and uncertainties

The risk register identified the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions to be taken to reduce and mitigate any risk. Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risk.

The principal risks for the trust during the next few years are any future reduction in pupil numbers within the academies and any changes to the funding formula. The academies closely monitor applications for places in and model the financial implications of any trends.

Plans for future periods

The trust is exploring opportunities to increase the number of academies to grow the trust. An Executive Director of Education has been appointed by the Trust who will take up her position on 1st January 2017. A key part of the Director's role will be to develop a growth strategy for the trust. A larger trust will help improve the quality of education in the two academies by increasing school improvement capacity and peer support.

Auditor

Insofar as the trustees are aware:

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

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, onand signed on its behalf by:

.....
Mark Granby
Chair of trustees

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

The Trustees acknowledge that they have overall responsibility for ensuring that the Trust and each Academy have 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 Chief Executive Officer as Accounting Officer, for ensuring financial controls conform to 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 the Bury College Education Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of trustees' responsibilities.

Attendance at BCET Board Meetings - 2015/16

	6 November 2015	11 December 2015	25 January 2016	11 March 2016	19 May 2016	18 July 2016	Possible Attendance	Actual Attendance	Percentage Attendance
Mr M Granby (Chair)			1	1	1	1	4	4	100
Ms S Cottam	0	0	0				3	0	0
Mr C W Deane	1	1	1	1	1	1	6	6	100
Mr R Holt	0	1	1	0	0	0	6	2	33.33
Mr P Nicol	1	1	1	1	1	1	6	6	100
Mr C Trees	1	0	1	0	1	1	6	4	66.67

Total	31	22	71%
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	2013/14	2014/15	2015/16
Trust board	91%	73%	71%
Audit committee	100%	83%	83%

The Audit Committee is a sub-committee of the Trust. The role of the Audit Committee is to support the Board in ensuring that a framework is established and maintained for the identification and management of risk and to monitor internal and external audit matters across all schools in the Trust.

Review of value for money

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

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

- Undertaken competitive tendering of building works;
- Negotiating a better deal on payroll for Radcliffe Primary School by moving to online payslips rather than paper; and
- Redeploying support staff based on increased pupil numbers and responding to needs in different areas of Elton Primary School.

BURY COLLEGE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust'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 at the trust for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 to 31 August 2016 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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 Trust Board 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 has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Louise Staunton, the FD of the Manchester Health Academy to perform peer reviews.

Review of effectiveness

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 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 and signed on its behalf by:

.....
Mark Granby
Chair of trustees

.....
Charlie Deane
Accounting officer

BURY COLLEGE EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Bury College Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

.....
Charlie Deane
Accounting officer

.....

BURY COLLEGE EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who also act as governors for Bury College Education Trust and are also the Directors of Bury College Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these 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 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the board of trustees on and signed on its behalf by:

.....

Mark Granby
Chair of trustees

BURY COLLEGE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BURY COLLEGE EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Bury College Education Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) ((Charities SORP 2015 (FRS 102))).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

BURY COLLEGE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF BURY COLLEGE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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

.....
Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Dated:

BURY COLLEGE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURY COLLEGE EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 4 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bury College Education Trust during the period 1 September 2015 to 31 August 2016 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 Bury College Education Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bury College Education Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bury College Education Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bury College Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bury College Education Trust's funding agreement with the Secretary of State for Education dated 4 October 2016 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planned assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing, including analytical review;
- Concluded on procedures carried out.

BURY COLLEGE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BURY COLLEGE EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP
Reporting Accountant

Dated:

BURY COLLEGE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	2	6	-	616	622	303
Transfer from local authority on conversion		-	-	-	-	273
Charitable activities:						
- Funding for educational operations	3	-	2,940	-	2,940	2,794
Other trading activities	4	109	52	-	161	129
Total income and endowments		<u>115</u>	<u>2,992</u>	<u>616</u>	<u>3,723</u>	<u>3,499</u>
Expenditure on:						
Raising funds	5	2	-	-	2	-
Charitable activities:						
- Educational operations	6	58	3,029	127	3,214	2,939
Total expenditure	5	<u>60</u>	<u>3,029</u>	<u>127</u>	<u>3,216</u>	<u>2,939</u>
Net income/(expenditure)		55	(37)	489	507	560
Transfers between funds		-	(35)	35	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	16	-	(572)	-	(572)	(22)
Net movement in funds		55	(644)	524	(65)	538
Reconciliation of funds						
Total funds brought forward		276	(551)	2,261	1,986	1,448
Total funds carried forward		<u>331</u>	<u>(1,195)</u>	<u>2,785</u>	<u>1,921</u>	<u>1,986</u>

BURY COLLEGE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		2,785		2,237
Current assets					
Debtors	11	438		181	
Cash at bank and in hand		695		833	
		<u>1,133</u>		<u>1,014</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(451)		(423)	
Net current assets			<u>682</u>		<u>591</u>
Net assets excluding pension liability			<u>3,467</u>		<u>2,828</u>
Defined benefit pension liability	16		(1,546)		(842)
Net assets			<u>1,921</u>		<u>1,986</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			2,785		2,261
- Restricted income funds			351		291
- Pension reserve			(1,546)		(842)
Total restricted funds			<u>1,590</u>		<u>1,710</u>
Unrestricted income funds	14		<u>331</u>		<u>276</u>
Total funds			<u>1,921</u>		<u>1,986</u>

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

.....
Mark Granby
Chair of trustees

Company Number 08769073

BURY COLLEGE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	£'000	2015 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	17		(79)		427
Cash flows from investing activities					
Capital grants from DfE and EFA		616		303	
Payments to acquire tangible fixed assets		(675)		(298)	
			(59)		5
Change in cash and cash equivalents in the reporting period			(138)		432
Cash and cash equivalents at 1 September 2015			833		401
Cash and cash equivalents at 31 August 2016			<u>695</u>		<u>833</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

These accounts for the year ended 31 August 2016 are the first accounts of Bury College Education Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the 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 entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Other income

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

1.4 Expenditure

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

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

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.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	4 - 5%
Computer equipment	33.3%
Fixtures, fittings & equipment	10%

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.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

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

1.9 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.10 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.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Fixed assets are carried in the accounts using an estimate of current value; they are depreciated from cost value on a straight line basis over their estimated useful life.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	616	616	303
Other donations	6	-	6	-
	6	616	622	303

The income from donations and capital grants was £622,000 (2015:£303,000) of which £6,000 was unrestricted (2015:£nil) and £616,000 restricted fixed assets (2015:£303,000).

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	2,238	2,238	2,408
Start up grants	-	-	-	5
Other DfE / EFA grants	-	395	395	244
	<u>-</u>	<u>2,633</u>	<u>2,633</u>	<u>2,657</u>
Other government grants				
Local authority grants	-	307	307	137
	<u>-</u>	<u>307</u>	<u>307</u>	<u>137</u>
Total funding	<u>-</u>	<u>2,940</u>	<u>2,940</u>	<u>2,794</u>

The income from funding for educational operations was £2,940,000 (2015: £2,794,000) of which £2,940,000 was restricted (2015: £2,794,000).

The academy trust was in receipt of funding from the local authority totalling £307,000 which consisted of £172,000 for special educational needs and £135,000 of nursery funding.

There were no unfulfilled conditions or other contingencies related to the grants received in the year.

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Lettings	9	-	9	11
School fund income	15	-	15	11
Out of school club income	36	-	36	38
Other income	49	52	101	69
	<u>109</u>	<u>52</u>	<u>161</u>	<u>129</u>

The income from other trading activities was £161,000 (2015: £129,000) of which £109,000 was unrestricted (2015: £129,000) and £52,000 restricted (2015: £nil).

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	1,806	-	257	2,063	1,928
- Allocated support costs	344	234	573	1,151	1,011
	<u>2,150</u>	<u>234</u>	<u>830</u>	<u>3,214</u>	<u>2,939</u>
Other expenditure					
Raising funds	-	-	2	2	-
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total expenditure	<u>2,150</u>	<u>234</u>	<u>832</u>	<u>3,216</u>	<u>2,939</u>

The expenditure on raising funds was £2,000 all of which was unrestricted (2015:£nil).

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	25	13
- Other services	1	11
Operating lease rentals	6	-
Depreciation of tangible fixed assets	127	96
	<u>159</u>	<u>120</u>

6 Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	58	2,005	2,063	1,928
Support costs - educational operations	-	1,151	1,151	1,011
	<u>58</u>	<u>3,156</u>	<u>3,214</u>	<u>2,939</u>

The expenditure on educational operations was £3,214,000 (2015: £2,939,000) of which £58,000 (2015:£24,000) was unrestricted, £132,000 (2015:£96,000) was restricted fixed asset fund and £2,897,000 (2015:£2,797,000) restricted funds.

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Charitable activities

Analysis of costs	2016	2015
	£'000	£'000
Direct costs		
Teaching and educational support staff costs	1,774	1,778
Staff development	32	-
Technology costs	31	-
Educational supplies and services	199	150
Educational consultancy	27	-
	<u>2,063</u>	<u>1,928</u>
Support costs		
Support staff costs	344	172
Depreciation and amortisation	127	96
Technology costs	30	-
Maintenance of premises and equipment	107	88
Cleaning	119	117
Energy costs	40	49
Rent and rates	19	30
Insurance	37	38
Security and transport	10	8
Catering	134	124
Net interest on pension liability	33	27
Other support costs	53	210
Governance costs	98	52
	<u>1,151</u>	<u>1,011</u>

7 Staff costs

	2016	2015
	£'000	£'000
Wages and salaries	1,434	1,449
Social security costs	108	103
Operating costs of defined benefit pension schemes	311	245
	<u>1,853</u>	<u>1,797</u>
Staff costs	1,853	1,797
Supply staff costs	286	123
Staff restructuring costs	8	35
Staff development and other staff costs	32	-
	<u>2,179</u>	<u>1,955</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Staff costs

Staff numbers

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

	2016 Number	2015 Number
Teachers	27	24
Administration and support	56	65
Management	5	6
	<hr/>	<hr/>
	88	95
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,840 (2015: £35,000). Individually, the payments were: £4,500 and £3,340.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 and page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £382,000 (2015: £349,000).

8 Trustees' remuneration and expenses

None of the trustees has been paid remuneration or received other benefits from an employment with the trust in this year or the previous year.

9 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £443 (2015: £536).

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2015	2,052	-	324	2,376
Additions	-	26	649	675
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	2,052	26	973	3,051
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 September 2015	135	-	4	139
Charge for the year	88	5	34	127
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	223	5	38	266
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 August 2016	1,829	21	935	2,785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2015	1,917	-	320	2,237
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of land and buildings comprises:

	2016 £'000	2015 £'000
Long leaseholds (over 50 years)	1,829	1,917
	<u> </u>	<u> </u>

11 Debtors

	2016 £'000	2015 £'000
Trade debtors	2	-
VAT recoverable	211	56
Prepayments and accrued income	225	125
	<u> </u>	<u> </u>
	438	181
	<u> </u>	<u> </u>

12 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	136	49
Other taxation and social security	53	33
Other creditors	-	8
Accruals and deferred income	262	333
	<u> </u>	<u> </u>
	451	423
	<u> </u>	<u> </u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Deferred income	2016	2015
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	44	20
	<u> </u>	<u> </u>
Deferred income at 1 September 2015	20	33
Released from previous years	(20)	(33)
Amounts deferred in the year	44	20
	<u> </u>	<u> </u>
Deferred income at 31 August 2016	44	20
	<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received for Universal Infant Free School Meals of £38,000 and other monies totalling £6,000. These had all been received in advance for the year ended 31 August 2017.

14 Funds	Balance at 1	Incoming	Resources	Gains, losses	Balance at 31
	September	resources	expended	& transfers	August 2016
	2015				
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant	260	2,238	(2,112)	(35)	351
Start up grants	31	-	(31)	-	-
Other DfE / EFA grants	-	395	(395)	-	-
Other government grants	-	307	(307)	-	-
Other restricted funds	-	52	(52)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds excluding pensions	291	2,992	(2,897)	(35)	351
Pension reserve	(842)	-	(132)	(572)	(1,546)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(551)	2,992	(3,029)	(607)	(1,195)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE / EFA capital grants	292	616	(32)	(26)	850
Inherited funds	1,969	-	(88)	-	1,881
Capital expenditure from GAG	-	-	(7)	61	54
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,261	616	(127)	35	2,785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	1,710	3,608	(3,156)	(572)	1,590
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	276	115	(60)	-	331
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	1,986	3,723	(3,216)	(572)	1,921
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Funds

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

The General Annual Grant (GAG) fund represents grants received for the Trust's operational activities and development.

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

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

The transfer from the General Annual Grant to the restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Total funds analysis by academy

	2016 £'000	2015 £'000
Elton Primary School	200	241
Radcliffe Primary School	482	326
	<u>682</u>	<u>567</u>
Total before fixed assets fund and pension reserve	682	567
Restricted fixed asset fund	2,785	2,261
Pension reserve	(1,546)	(842)
	<u>1,921</u>	<u>1,986</u>
Total funds	1,921	1,986

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2016 £'000	Total 2015 £'000
Elton Primary School	874	121	119	332	1,446	1,262
Radcliffe Primary School	900	223	109	411	1,643	1,559
	<u>1,774</u>	<u>344</u>	<u>228</u>	<u>743</u>	<u>3,089</u>	<u>2,821</u>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,785	2,785
Current assets	331	802	-	1,133
Creditors falling due within one year	-	(451)	-	(451)
Defined benefit pension liability	-	(1,546)	-	(1,546)
	<u>331</u>	<u>(1,195)</u>	<u>2,785</u>	<u>1,921</u>

16 Pensions and similar obligations

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

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

Contributions amounting to £18,953 (2015: £16,195) were payable to the schemes at 31 August 2016 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £163,000 (2015: £136,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.0% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2016	2015
	£'000	£'000
Employer's contributions	75	69
Employees' contributions	34	31
	<hr/>	<hr/>
Total contributions	109	100
	<hr/>	<hr/>
Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	3.4	3.9
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.0	3.8
Inflation assumption (CPI)	2.0	3.8
	<hr/>	<hr/>

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis – Elton Primary School

Changes in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	238
1 year increase in member life expectancy	3%	56
0.5% increase in the Salary Increase Rate	5%	93
0.5% increase in the Pension Increase Rate	7%	136

Sensitivity analysis – Radcliffe Primary School

Changes in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	155
1 year increase in member life expectancy	3%	32
0.5% increase in the Salary Increase Rate	6%	67
0.5% increase in the Pension Increase Rate	8%	82

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

	2016 Years	2015 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

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

	2016 Fair value £'000	2015 Fair value £'000
Equities	1,016	774
Bonds	240	193
Property	85	65
Cash	70	43
Total market value of assets	1,411	1,075
Actual return on scheme assets - gain/(loss)	227	162

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

Amounts recognised in the statement of financial activities	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	158	136
Net interest cost	33	27
Plan introductions, benefit changes, curtailments and settlements	16	-
	<u>207</u>	<u>163</u>
Total operating charge	207	163
Changes in the present value of defined benefit obligations	2016	2015
	£'000	£'000
Obligations at 1 September 2015	1,917	754
Obligations acquired on conversion	-	1,109
Current service cost	158	136
Interest cost	75	71
Employee contributions	34	31
Actuarial gain	757	(184)
Plan introductions, benefit changes, curtailments and settlements	16	-
	<u>2,957</u>	<u>1,917</u>
At 31 August 2016	2,957	1,917
Changes in the fair value of the academy trust's share of scheme assets	2016	2015
	£'000	£'000
Assets at 1 September 2015	1,075	465
Assets acquired on conversion	-	672
Interest income	42	44
Return on plan assets (excluding amounts included in net interest): Actuarial loss	185	(206)
Employer contributions	75	69
Employee contributions	34	31
	<u>1,411</u>	<u>1,075</u>
At 31 August 2016	1,411	1,075

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Reconciliation of net income to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income for the reporting period	507	560
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(273)
Capital grants from DfE/EFA and other capital income	(616)	(303)
Defined benefit pension costs less contributions payable	99	67
Defined benefit pension net finance cost/(income)	33	27
Depreciation of tangible fixed assets	127	96
(Increase)/decrease in debtors	(257)	(108)
Increase/(decrease) in creditors	28	291
Cash transferred on conversion	-	70
Net cash used in operating activities	<u>(79)</u>	<u>427</u>

18 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	5,512	3,625
Amounts due in two and five years	7,287	300
	<u>12,799</u>	<u>3,925</u>

19 Related party transactions

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

During the year £8,121 was paid to Bury College for support services (2015: £10,788).

20 Members' liability

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

BURY COLLEGE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

		1 September 2014 £'000	31 August 2015 £'000
	Notes		
Funds as reported under previous UK GAAP		1,448	1,986
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	22
Change in actuarial loss	1	-	(22)
Funds reported under FRS 102		<u>1,448</u>	<u>1,986</u>

Reconciliation of net income for the previous financial period

			2015 £'000
	Notes		
Net income as reported under previous UK GAAP			538
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1		22
Change in actuarial loss	1		(22)
Net income reported under FRS 102			<u>538</u>

Notes to reconciliations on adoption of FRS 102

1. Change in recognition of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £22,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.