

**THE BOURTON MEADOW EDUCATION TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**THE BOURTON MEADOW EDUCATION TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	Mr A J MacGarvey Mr P J Fealey Mr L Harrison
<b>Trustees</b>	Mr M J Kitson, Executive Headteacher and Accounting Officer Mr P J Fealey Mrs C Conquest Mr L Harrison Mr A MacGarvey, Chief Executive Officer Mr A Pool (appointed 1 July 2015)
<b>Governors - Bourton Meadow</b>	Mr R Main, Headteacher Mr P Fealey, Chair of Governors Mr L Harrison (resigned 16 June 2016) Mrs P Croucher Mr B Boggie Mrs A Brown (resigned 5 May 2016) Mrs D Bowden Mrs C Conquest Mrs J Harte (appointed 7 October 2015) Mr S Rogers Mr M Foster Mrs J Bunyan (resigned 6 January 2016) Mrs L Handley Mr C A Rose Mrs S L Joubert (resigned 29 November 2015) Mrs K Duckmanton Mrs A McGuigan Mrs K Herring (resigned 29 June 2016) Mrs L Dallaway (appointed 10 May 2016) Mr D Ingle (appointed 10 May 2016) Mrs A Jones (appointed 6 May 2015)
<b>Governors - George Grenville</b>	Ms L Brown, Headteacher Mrs A Rugg, Chair of Governors (resigned 4 May 2016) Mr K Harvey Mr H Adams (resigned 18 November 2015) Mr A Pool Mr S Townsend, Chair of Governors (appointed 4 May 2016) Mrs H Buckley Mrs A Cameron Mr P Williams Mr S Hendrickson Mrs J Long Mrs H Venn Mrs V Tomopoulou (appointed 27 June 2016) Mr J Peciatt (appointed 27 June 2016)

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**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Trustees (continued)**

**Governors - Lace Hill**

Mrs K Wolstenholme, Chair of Governors (appointed 1 October 2015, resigned 31 July 2016)  
Mr C Garlick (appointed 1 October 2015), Chair of Governors (appointed 1 August 2016)  
Mr P Fealey (appointed 1 October 2015)  
Mr T Stephen (appointed 19 November 2015)  
Mrs G Hopkin (appointed 19 November 2015)  
Mrs K Owens (appointed 19 November 2015)  
Mr P Zanna (appointed 28 January 2016, resigned 31 July 2016)  
Mr G Griffiths, Head Teacher (appointed 1 October 2015)  
Mrs J Bright (appointed 1 October 2015, resigned 28 January 2016)  
Dr A Brown (appointed 1 October 2015, resigned 28 January 2016)  
Mrs P Croucher (appointed 1 October 2015, resigned 3 March 2016)  
Mr D Black (appointed 1 October 2015, resigned 19 November 2015)

**Company registered number**

07867334

**Company name**

The Bourton Meadow Education Trust

**Principal and Registered office**

Bourton Meadow Academy  
Burleigh Piece  
Buckingham  
Buckinghamshire  
MK18 7HX

**Company secretary**

Mrs K Herring

**Senior management team**

Bourton Meadow  
Mr R Main, Headteacher  
Mrs L Handley, Deputy Headteacher  
Mrs S Jones, Deputy Headteacher  
Mrs J Atherton, SEN Manager

George Grenville  
Ms L Brown, Headteacher  
Mrs E Killick, Deputy Headteacher

Lace Hill  
Mr G Griffiths, Headteacher  
Mrs A Bradford, Senior Teacher

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Advisers (continued)**

**Independent auditor**      MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

**Bankers**                      Lloyds Bank Plc  
Lloyds Court  
28 Secklow Gate West  
Milton Keynes  
Buckinghamshire  
MK9 3EH

**Solicitors**                    Michelmores  
Woodwater House  
Pynes Hill  
Exeter  
EX2 5WR

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates 3 primary academies for pupils aged 2 to 11 serving a catchment area that covers much of the town of Buckingham and the immediate surrounding area. Bourton Meadow has a pupil capacity of 630 with a 90 place nursery. In July 2016, there were 595 pupils in the school and 65 in the nursery. George Grenville has a pupil capacity of 210 with a 30 place nursery. In July 2016, there were 165 pupils in the school and 30 in the nursery. In September 2015, the Trust opened a brand new, purpose built primary school in Buckingham. Lace Hill Academy fits perfectly into the vision of the trust which is around supporting education in the Buckingham area and providing parents with a choice of outstanding school to choose from. Lace Hill has a pupil capacity of 210 with a 30 place nursery. In July 2016, there were 35 pupils in the school and 24 in the nursery. The trust also operates a Teacher Training Centre and in July 2016 there were 25 trainees.

Bourton Meadow School converted to Academy status on 1 March 2012 at which point the entity's operations commenced. It became a multi academy trust in June 2013 and was named The Bourton Meadow Education Trust. The Trust's principal activities are to provide all children within the Buckingham community with the same outstanding educational opportunities principally by establishing, maintaining, carrying on, managing and developing schools that offer a broad, balanced and outstanding curriculum.

**Structure, governance and management**

**CONSTITUTION**

The Bourton Meadow Educational 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 Trust.

The Trustees of The Bourton Meadow Education Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as The Bourton Meadow Education Trust.

Details of the Trustees, Directors and Governors are included in the Reference and Administrative Details on page 1.

The Trust was incorporated on 1 December 2011 and commenced trading on that date.

**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.

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**THE BOURTON MEADOW EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**TRUSTEES' INDEMNITIES**

The Trust has purchased insurance to cover Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 13 to the accounts.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The Board of Trustees is responsible for appointing Governors for Bourton Meadow Academy, George Grenville Academy and Lace Hill Academy except for parent Governors and staff Governors who are elected by a secret ballot. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher and Executive Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The training and induction provided for new Governors will depend on their existing experience. An induction programme is available and will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the respective academies and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

**ORGANISATIONAL STRUCTURE**

During the initial period a unified management structure was introduced to help improve the way Bourton Meadow Education Trust is run. Since the transfer to BMET, the structure now consists of four levels: the Trustees, the Directors, the Local Governors and The Senior Management Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Local Governors are responsible for setting general policy for each academy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of their academy, capital expenditure and senior staff appointments.

The Senior Managers at all three academies control the Academy at an executive level implementing the policies laid down by their respective governing bodies and reporting back to them. Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though the Headteacher is always appointed by the directors. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

**RISK MANAGEMENT**

The Governors have assessed the major risks to which Bourton Meadow Academy, George Grenville Academy and Lace Hill Academy are exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academies have an effective system of internal financial controls and this is explained in more detail in the Governance statement.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Trust has a detailed Pay Policy in place that outlines the processes and procedures that are used in setting the pay and remuneration of all staff within the Trust. The pay of the Executive Headteacher is determined annually by the directors of the Trust after a detailed performance review. A rigorous system of Performance Management is in place in each academy that is regularly reviewed and updated. There is a direct link between pay and performance and all staff are set clear objectives for their personal performance for the year. The performance management of the Headteachers of each academy is carried out by members of the respective Local Governing Body together with the Executive Headteacher. They set challenging targets for their academy as well as a trust-wide target. The Performance Management process is carefully reviewed annually and Headteachers provide local governing bodies with an annual report on the outcomes of the Performance Management cycle.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

At present, there are no significant related party relationships.

**Objectives and Activities**

**OBJECTS AND AIMS**

The principal object and activity of the charitable company, Bourton Meadow Educational Trust, is the operation of Bourton Meadow Academy, George Grenville Academy and Lace Hill Academy to provide an outstanding education for pupils of different abilities between the ages of 2 and 11 with an emphasis on an exciting, broad, balanced and creative curriculum.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**OBJECTIVES, STRATEGIES AND ACTIVITIES**

Bourton Meadow Academy, George Grenville Academy and Lace Hill Academy are all schools that we can justifiably feel proud of. They are vibrant, positive places to be. Our children become responsible citizens. They enjoy coming to school and are motivated by their successes. They are secure in the knowledge that we welcome their whole family and work with them as a team, with the welfare and education of each child being our focus.

Pupils enjoy a more "Creative Curriculum" and rise to the challenge of enquiry based learning. Monitoring systems are well organised to provide evidence of the impact that these developments have on children's learning. Staff, Headteachers and Governors have a positive, open minded approach to sharing good practice with other schools. Links with schools in the trust and beyond have led to rapid development. Development and improvement is continuous and constantly strived for.

In June 2013 Ofsted inspectors judged Bourton Meadow Academy to be "Outstanding" for the third time and we must now aim higher, therefore providing our pupils with the very best primary education we can. George Grenville Academy has not been inspected since it opened as an academy but we are confident that it is at least a good school and will soon join Bourton Meadow in being outstanding. George Grenville Academy's predecessor was judged as Requires Improvement by Ofsted and so it is a tremendous achievement for the school to be approaching outstanding. As a recently opened school, Lace Hill Academy has not yet been inspected but we are confident that at the present time, it would be judged as at least good. The Initial Teacher Training Centre is judged as outstanding by Ofsted and continues to produce outstanding new teachers.

The main areas of development for BMET during the period ended 31 August 2016 were:

- Develop George Grenville Academy within the trust
- Open Lace Hill Academy on 1 September 2015 and establish it as a successful part of the trust
- Work to broaden the work of the Initial Teacher Training Centre so that it maintains its viability in an increasingly competitive market. This included the link with Ashmead and Bedgrove Infant Schools, providing services for the Astra Alliance and developing the Assessment Only route
- Continuing the development of Bourton Meadow Academy
- Developing the senior leadership of the Trust particularly in terms of their role in monitoring and evaluating the work of the academies
- Working to promote the role of the trust in developing closer working links with schools in the town of Buckingham and vicinity
- Developing a strategy as to how the trust should develop in the future so that its aims as described in its mission statement are met

The main areas for Bourton Meadow Academy to develop during the period ended 31 August 2016 are summarised below:

- Increase sustained writing at a high level across all areas of the curriculum
- Ensure a uniform progressive approach to the teaching of spelling, punctuation and grammar
- Provide children with deep level learning opportunities to challenge and master learning
- Implement and monitor a robust, new assessment system that accurately tracks progress and attainment in line with the new curriculum
- Ensure all staff are fully aware of the needs of SEN children in their class and are able to adapt their teaching style and environment to ensure a fully inclusive learning experience for all children
- Reduce persistent absence

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The main areas for George Grenville Academy to develop during the period ended 31 August 2016 are summarised below:

- Ensure accurate self-assessment of standards in all curriculum subjects
- Embed school values across the school.
- Raise attendance across the school.
- To ensure lunchtimes and break times are purposeful.
- To develop the environment to further learning opportunities.
- To improve parental involvement.

The main areas for Lace Hill Academy to develop during the period ended 31 August 2016 are summarised below:

- Develop systems that positively impact on pupils behaviour, welfare and personal development
- Develop systems that ensure teaching is effective, learning is developed, consolidated and deepened
- Develop systems that ensure assessment enables pupils to achieve well
- Develop systems/practises of engagement for parents, carers and other stakeholders so that pupils are well supported
- Develop an effective Governing Body
- Expand the Academy in preparation for KS2 pupils

The overriding objectives of the Trust are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce; and
- To conduct the Academies' business in accordance with the highest standards of integrity, probity and openness.

The Trust's main strategy is encompassed in its mission statement which is 'To provide outstanding outcomes and lifelong learning skills for all'.

To this end the activities provided include:

- To deliver outstanding teaching and learning
- To lead by example in supporting and enriching the community
- To provide outstanding teacher training and consultancy for the wider educational community
- To provide and support CPD amongst staff to enhance performance
- To provide excellence in the wrap around care facilities
- To produce outstanding pupil value added
- To provide enhanced facilities

**PUBLIC BENEFIT**

The Bourton Meadow Educational Trust promotes education for the benefit of the local community of Buckingham and offers recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and pupils which further enhances the public benefit.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Strategic Report**

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and performance – Bourton Meadow Academy**

Bourton Meadow Academy is in its fourth period of operation and continues to achieve the forecast numbers of pupils. The Academy also operates a Nursery taking rising 3's up to school age.

Examination results for 2016 continue to be strong in most areas, particularly in terms of progress. However, the end of key stage 2 results dropped in maths and writing. Much of this is due to the change in assessment procedures and the introduction of a new curriculum but, nevertheless, the school is analysing the results very carefully and has already implemented changes to ensure this is not a trend.

Early Years Foundation Stage

70% of pupils have achieved a 'good level of development' compared to 66% nationally last year and 65% last year at Bourton Meadow. The EYFSP average score was 34.5 which compares with a national figure of 34.3 last year.

Phonics

85% of pupils achieved the expected standard in phonics which was up from last year. This year, the national figure was 77%

Key Stage 1 - The figures in the brackets represent the national average.

86% (76%) of children achieved the expected level in Reading, 71% (65%) achieved it in Writing and 83% (73%) achieved it in Maths. 35% (25%) of children exceeded the expected level in Reading, 22% (13%) in writing and 39% (17%) in Maths. There are no comparable figures for previous years. The school's own data shows that most pupils make good progress in Key Stage 1.

Key Stage 2

This was the first year that pupils were assessed using the new assessment procedures. Achievement throughout the key stage was strong with progress being very good. However, some of the end-of-key stage results were lower than expected. The school has taken firm action to address any possible issues.

66% of pupils achieved the expected level in writing with 79% achieving it in reading and 64% in maths. 31% of pupils exceeded the expected level in reading with 19% doing so in writing and 32% in maths.

In terms of progress, the school's data shows that 94% of pupils made expected progress in reading, 88% in writing and 87% in maths. The average scaled score of around 105 is well above the average of 100.

In terms of progress, progress across the key stage remains good but with some pockets of weakness. At the end of the key stage, progress in reading and maths was in the average range when compared to national figures, whilst writing was fractionally below this. The school is aware of these figures and is taking action to ensure an improvement for next year.

**Achievements and performance – George Grenville Academy**

George Grenville Academy has completed its second year as a member of the trust and numbers on roll continue to rise. The school is rising in popularity and is now recognised locally for the good work it does.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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Foundation Stage

67% of children achieved a 'good level of development' in the Early Years which is the same as last year. The national figure this year is 71%. The EYFSP average score was 34.8 compared with a national figure of 34.3 last year.

Phonics

80% achieved the expected standard in phonics which was up from 75% last year. This year, the national figure was 77%.

Key Stage 1

Under the new assessment arrangements, attainment at the end of Key Stage 1 was low, often due to the large number of pupils who joined the school during the Key Stage. However, the school's data showed that all pupils made very good progress. 43% of pupils achieved the expected level in reading, 50% in maths and 29% achieving it in reading. 7% of pupils exceeded the expected level in reading and writing with 14% exceeding it in maths. Progress data shows that almost all pupils making expected progress with many exceeding it.

Key Stage 2

The new assessment arrangements mean it is difficult to compare the 2016 results with previous years' results. However, the school once again achieved good results from its pupils. 76% of pupils achieved the expected level in writing and maths with 60% achieving it in reading. 28% of pupils exceeded the expected level in reading with 20% doing so in writing and 36% in maths. The average scaled score of around 105 is well above the average of 100.

In terms of progress, the school's data shows that 94% of pupils made expected progress in reading, 88% in writing and 87% in maths. These are very good results and the school is right to be pleased with them.

**Achievements and performance – Lace Hill Academy**

Lace Hill Academy opened on 1 September 2015. Considering the fact that the building was only handed over on 28 August 2015, it was a tremendous achievement to open the school on the first day of term. Starting with only two classes - Reception and Year 1 to 2 - and 35 pupils, the school has grown to include a nursery and Years 3 and 4 in September 2016. Numbers in September 2016 are 88 with 22 in the Nursery. The school is popular with families and numbers are growing. The school has done well in developing a curriculum from scratch and in establishing all the practices and procedures necessary to run a school.

Foundation Stage

71% of children in the Reception class achieved a good level of development at the end of the year which is in line with national figures. Obviously, there are no figures from previous years to compare with. The EYFSP average score was 37.3 compared with a national figure of 34.3 last year

Year 1 Phonics

87.5% of pupils achieved the required level in Phonics compared with a national figure of 77%

Key Stage 1

Despite having a small cohort of only 8 pupils, the school was pleased with its first Key Stage 1 results ever. Under the new assessment arrangements, 57% of pupils achieved the expected level in reading and maths with 43% achieving it in reading. 14% of pupils exceeded the expected level in writing. The average scaled score showed maths to be the slightly weaker area but even after one year, the school's own data shows that all pupils are making at least good progress.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**KEY FINANCIAL PERFORMANCE INDICATORS**

The Academy Trust uses a number of financial key performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set.

Staffing costs are monitored as a percentage of total income. At Bourton Meadow Academy, for the period ended 31 August 2016 staffing costs amounted to 79% of total non capital income. At George Grenville Academy for the period ended 31 August 2016 staffing costs amounted to 80% of total non capital income. At Lace Hill Academy for the period ended 31 August 2016 staffing costs amounted to 71% of total non capital income.

The Academy Trust also monitors its operating surplus or deficit as a percentage of total income. For the period ended 31 August 2016 the operating deficit equated to 0.7% of total income (excluding LGPS and restricted fixed asset funds).

The Academy Trust also uses a number of non-financial key performance indicators to monitor its performance. These include:

- Outcomes for pupils in the Early Years are at least good compared with national and regional figures
- KS1 achievements exceed regional and national percentages with at least good progress across the key stage
- KS2 achievements exceed regional and national percentages with at least good progress across the key stage
- Pupil attendance rates are significantly higher than national figures— for the year ended 31 August 2016 pupil attendance was 97.1% at Bourton Meadow Academy, 95.4% at George Grenville Academy and 96.3% at Lace Hill Academy

**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.

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**TRUSTEES' REPORT (continued)**  
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**FINANCIAL REVIEW**

Most of the Academy's income (76% - excluding restricted fixed asset income) is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. A significant amount (13% - excluding restricted fixed asset income) is generated from extended schools which include breakfast, after-school, Nursery, trips and school meals. Grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, total expenditure of £4,610,950 (excluding depreciation), was in excess of the recurrent annual grant funding from the DfE together with other sources income. The excess of total expenditure over total income for the year (excluding restricted fixed asset funds and pension) was £115,703.

At 31 August 2016 the net book value of fixed assets was £12,299,179 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

There was a significant transaction with Lace Hill Academy joining the Trust. In addition, there were a number of minor (capital) projects that were undertaken to support the schools overall objectives, such as:

- Installation of new windows and doors
- Investment in replacement rooflights
- Investment in IT equipment including whiteboards

It is noted that the pension deficit is £1,636,000 as per the Financial Reporting Standard 102 pension valuation statement as at 31 August 2016.

The Academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard 102. A deficit has been recognised at 31 August 2016. Future contribution rates are adjusted so as to reduce this deficit.

**RESERVES POLICY**

The Trustees review the reserve levels of the 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 Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £238,268. The Trust intends to continue building up free reserves to continue strengthening its resource position.

**MATERIAL INVESTMENTS POLICY**

The Trust continuously reviews and updates its investment policy with surplus cash funds being held in a deposit account in a high street bank

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**TRUSTEES' REPORT (continued)**  
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**PRINCIPAL RISKS AND UNCERTAINTIES**

Through the Trust's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the Board of Trustees are:

- Change in Government funding regime – the Trust receives 84% of its income from Government agencies;
- Reduction in pupil numbers either through competition or a damaged reputation/falling standards – Bourton Meadow Academy prides itself on the OFSTED grading from its 2013 inspection as a School which rated it as Outstanding, and recognises the importance of maintaining these standards. The significant improvements in George Grenville Academy have made this school more attractive to parents and numbers have significantly increased.

Key controls that the Academy has in place to mitigate these risks include:

- Attendance at Government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Trust funding methodology;
- Appropriate organisational structure with several tiers of review;
- Internal quality assurance reviews and self-assessments.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Trust's risk management procedures are outlined in the Trustees Report, page 5. The Trustees believe that its risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Trust.

The Bourton Meadow Education Trust does not have significant trade debtors as invoiced income is a minor ancillary activity. Good credit control is practised including, where possible, invoicing in advance e.g. Nursery (where systems allow).

Cash flow is monitored daily by the Education Trust and budgets presented to the Board of Trustees consider cash flow and liquidity in detail. The Trust plans to build up cash reserves to enable it to plan for future capital projects.

**FINANCIAL POSITION**

The Academy held fund balances at 31 August 2016 of £11,358,388 comprising of; £311,616 of restricted funds, £12,444,504 of restricted fixed asset funds, £238,268 of unrestricted general funds and a pension reserve deficit of £1,636,000.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**FUTURE DEVELOPMENTS**

The main aim of the Trust is to support and develop the education of all children within the Buckingham community. The Trust will continue striving to improve the levels of performance of children within the trust at all levels and will continue its efforts to ensure its pupils leave primary school having reached their maximum potential.

The Trust aims in the future to provide school improvement services to other schools but will only do so in a way that does not jeopardise the achievement of pupils in the Trust's own schools. George Grenville Academy became part of the trust on 1 February 2015 and Lace Hill Academy opened as part of the Trust on 1 September 2015. Our aim is to ensure that all these schools are operating with the same level of outstanding achievement that the Bourton Meadow Academy is renowned for. We have expanded the role of our Initial Teacher Training Centre so that we now act as the provider for other lead schools, we accredit teachers through the Assessment Only route and we plan to deliver training for other Teacher Training institutions. Any further expansion of the Trust will only be in accordance with the clearly stated vision of the Trust.

**FUNDS HELD AS CUSTODIAN**

The Academy holds no funds as custodian trustee on behalf of others.

**DISCLOSURE OF INFORMATION TO AUDITOR**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by order of the board of trustees as the company directors, on \_\_\_\_\_ and signed  
on its behalf by:

Mr A J MacGarvey  
**Chair of Trustees**



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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that The Bourton Meadow Education 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 Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bourton Meadow Education 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.

**GOVERNANCE STATEMENT**

The directors of The Bourton meadow Education Trust ensure that there is appropriate financial expertise on each Local Governing Body as well as at director level. There are many checks in place to ensure that the trust is appropriately managed and that it is effective in controlling the resources at its disposal.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
Mr M J Kitson, Executive Headteacher and Accounting Officer	6	6
Mr P J Fealey	6	6
Mrs C Conquest	6	6
Mr L Harrison	6	6
Mr A MacGarvey, Chief Executive Officer	5	6
Mr A Pool	5	6
Mr D Black	0	0

**Bourton Meadow Academy:**

Attendance during the year at meetings of the Local Governing Body of Bourton Meadow Academy was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr P Fealey	5	6
Mr L J Harrison	2	5
Mrs P Croucher	5	6
Mr R Main	6	6
Mrs K Herring	6	6
Mrs L Handley	6	6
Mr B Boggie	6	6
Mrs J Bunyan	2	2
Mrs A Brown	2	4
Mr C A Rose	4	6
Mrs D Bowden	5	6
Mrs J E Harte	6	6

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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Mr M Foster	4	6
Mrs C Conquest	6	6
Mrs A Jones	2	6
Mrs K Duckmanton	2	6
Mrs S L Joubert	0	1
Mr S Rogers	5	6
Mrs A McGuigan	6	6
Mrs L Dallaway	2	2
Mr D Ingle	2	2

The Finance, Personnel and Pay Review Committee is a sub-committee of the main board of trustees of Bourton Meadow Academy. Its purpose is to monitor the financial position of the academy Trust and support staffing plans. This financial period has concentrated on establishing robust financial reporting and procedure for the Trust since conversion.

Attendance at meetings in the year was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr L J Harrison - Chair of Finance until 16 June 2016	3	6
Mr R Main (Headteacher)	6	6
Mr C A Rose	5	6
Mr S Rogers - Chair of Finance from 16 June 2016	6	6
Mr B Boggie	6	6
Mrs A McGuigan	6	6
Mrs D Ingle	1	1

**George Grenville Academy:**

Attendance during the year at meetings of the Local Governing Body of George Grenville Academy was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr S Townsend	6	6
Mr K Harvey	6	6
Mrs A Cameron	6	6
Mr S Hendrickson	6	6
Mr A Pool	1	6
Mrs H Venn	6	6
Mrs H Buckley	3	6
Mrs J Long	6	6
Mr P Williams	5	6
Mrs V Tomopoulou	3	4
Mr J Pepiatt	1	1
Mrs A Rugg	5	5
Mr H Adams	1	2

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**THE BOURTON MEADOW EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The Finance, Personnel and Pay Review Committee is a sub-committee of the main board of the governors of George Grenville Academy. Its purpose is to monitor the financial position of the academy and the trust and support staffing plans. This financial year has concentrated on establishing robust financial reporting and procedure for the academy and the trust since conversion. Attendance at meetings in the year was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr S Townsend	6	6
Mr K Harvey	2	6
Mrs H Venn	4	6
Mrs H Buckley	2	6
Mrs A Rugg	5	6
Mr H Adams	2	6

**Lace Hill Academy:**

Attendance during the period at meetings of the Local Governing Body of Lace Hill Academy was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mrs K Wolstenholme	4	4
Mrs J Bright	1	2
Dr A Brown	3	3
Mrs P Croucher	2	3
Mr P Fealey	3	4
Mr C Garlick	4	5
Mr G Griffiths	4	4
Mrs G Hopkin	3	3
Mrs K Owens	3	3
Mr T Stephen	2	3
Mr P Zanna	2	2
Mr D Black	1	1

The Finance, Personnel and Pay Review Committee is a sub-committee of the main board of the governors of Lace Hill Academy. Its main purposes are to monitor the financial position of the academy and support staffing plans. This financial year has concentrated on establishing robust financial reporting procedures for the academy and the trust since conversion. Attendance at meetings in the year was as follows:

Trustees and local governors	Meetings attended	Out of a possible
Mr C Garlick	3	3
Mr G Griffiths	3	3
Mr T Stephen	2	3
Mrs K Owens	1	1
Mrs K Wolstenholme	3	3

Bourton Meadow Local Governing Body and George Grenville Local Governing Body are both made up of a good mix of experienced and relatively new governors. As a new school, Lace Hill has a new governing body. It is still growing in size and as yet they are relatively inexperienced. There have been no reviews of governance over the past year. However, directors will ask the governing body of George Grenville Academy and Bourton Meadow Academy to conduct a self evaluation by the end of the 2016-17 year. When the governing body of Lace Hill is more established, directors will ask them to do the same.

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Executive Headteacher 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 board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- The purchase of services as a trust rather than by individual academies, thereby achieving economies of scale
- Carrying out in depth budget reviews in order to remove any unnecessary items
- Tightening up on budget control during the year

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bourton Meadow Education Trust for the year 1 September 2015 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 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 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 Finance, Personnel and Pay Review 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;
- 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 MHA MacIntyre Hudson, the external auditor, to perform additional checks.

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive Headteacher 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Finance, Personnel and Pay Review 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 their behalf, by:

Mr A J MacGarvey  
**Chair of Trustees**

Mr M J Kitson  
**Accounting Officer**

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Bourton Meadow 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 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.

Mr M J Kitson  
**Accounting Officer**

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on

and signed on its behalf by:

Mr A J MacGarvey  
**Chair of Trustees**

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOURTON MEADOW EDUCATION TRUST**

---

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

This report is made solely to the 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 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 trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' responsibilities statement set out on page 21, the Trustees (who are also the directors of the 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.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the 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' Report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.



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**THE BOURTON MEADOW EDUCATION TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOURTON MEADOW EDUCATION TRUST**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB  
Date:

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE BOURTON MEADOW EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 7 July 2015 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 The Bourton Meadow Education Trust during the year 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 The Bourton Meadow Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bourton Meadow Education Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Bourton Meadow Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE BOURTON MEADOW EDUCATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR**

The Accounting Officer is responsible, under the requirements of The Bourton Meadow Education Trust's funding agreement with the Secretary of State for Education dated 8 February 2013, 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 year 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE BOURTON MEADOW EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken to draw our conclusion includes:

- Reviewing the minutes of meetings of the board of trustees and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the Academy;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- Making appropriate enquiries of the Accounting Officer.

**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 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date:

**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Transferred from local authority on acquisition of Academy trust	3	-	-	-	-	1,468,475
Donations and capital grants	3	35,123	94,312	6,570,860	6,700,295	667,348
Charitable activities:						
Funding for the academy trust's educational operations	6	-	3,843,538	-	3,843,538	3,601,301
Other trading activities	4	336,293	184,279	-	520,572	411,890
Investments	5	1,702	-	-	1,702	1,102
<b>TOTAL INCOME</b>		<b>373,118</b>	<b>4,122,129</b>	<b>6,570,860</b>	<b>11,066,107</b>	<b>6,150,116</b>
<b>EXPENDITURE ON:</b>						
Raising funds		479,476	271,446	-	750,922	535,854
Charitable activities:						
Academy trust educational operations		(70,171)	3,930,199	291,775	4,151,803	3,319,909
<b>TOTAL EXPENDITURE</b>	7	<b>409,305</b>	<b>4,201,645</b>	<b>291,775</b>	<b>4,902,725</b>	<b>3,855,763</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	(36,187)	(79,516)	6,279,085	6,163,382	2,294,353
		-	(184,251)	184,251	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(36,187)	(263,767)	6,463,336	6,163,382	2,294,353
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(818,000)	-	(818,000)	30,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(36,187)</b>	<b>(1,081,767)</b>	<b>6,463,336</b>	<b>5,345,382</b>	<b>2,324,353</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		274,455	(242,617)	5,981,168	6,013,006	3,688,653
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>238,268</b>	<b>(1,324,384)</b>	<b>12,444,504</b>	<b>11,358,388</b>	<b>6,013,006</b>

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**THE BOURTON MEADOW EDUCATION TRUST****(A company limited by guarantee)****REGISTERED NUMBER: 07867334**

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**BALANCE SHEET  
AS AT 31 AUGUST 2016**

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	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>12,299,179</b>		5,483,560
<b>CURRENT ASSETS</b>					
Debtors	15	<b>247,086</b>		326,580	
Cash at bank and in hand		<b>739,746</b>		1,159,172	
		<b>986,832</b>		1,485,752	
<b>CREDITORS:</b> amounts falling due within one year	16	<b>(291,623)</b>		(220,306)	
<b>NET CURRENT ASSETS</b>			<b>695,209</b>		1,265,446
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>12,994,388</b>		6,749,006
Defined benefit pension scheme liability	20		<b>(1,636,000)</b>		(736,000)
<b>NET ASSETS</b>			<b>11,358,388</b>		6,013,006
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
Restricted income fund	17	<b>311,616</b>		493,383	
Fixed asset fund	17	<b>12,444,504</b>		5,981,168	
Restricted income funds excluding pension liability		<b>12,756,120</b>		6,474,551	
Pension reserve		<b>(1,636,000)</b>		(736,000)	
Total restricted funds			<b>11,120,120</b>		5,738,551
Unrestricted income funds	17		<b>238,268</b>		274,455
<b>TOTAL FUNDS</b>			<b>11,358,388</b>		6,013,006

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

Mr A J MacGarvey  
**Chair of Trustees**

The notes on pages 29 to 52 form part of these financial statements.

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<u>99,842</u>	<u>284,855</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,702	1,102
Purchase of tangible fixed assets		<b>(695,109)</b>	(62,271)
Capital grants from DfE/EFA		<b>158,575</b>	575,304
<b>Net cash (used in)/provided by investing activities</b>		<u><b>(534,832)</b></u>	<u>514,135</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<u>(1,210)</u>	<u>(1,211)</u>
<b>Net cash used in financing activities</b>		<u><b>(1,210)</b></u>	<u>(1,211)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(436,200)</b>	797,779
Cash and cash equivalents brought forward		<u>1,159,172</u>	<u>361,393</u>
<b>Cash and cash equivalents carried forward</b>	23	<u><b>722,972</b></u>	<u>1,159,172</u>

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**THE BOURTON MEADOW EDUCATION TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 of financial statements**

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.

The Bourton Meadow Education Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of The Bourton Meadow Education Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Bourton Meadow Education Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the trust 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

**Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised 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.

**Sponsorship income**

Sponsorship income provided to the trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

**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'.

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

**Donations**

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

**Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

**Expenditure on Raising Funds**

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

**Charitable Activities**

These 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 £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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:

Freehold property	-	2% straight line
Long-term leasehold property	-	0.8% - 16% straight line
Plant and machinery	-	6.66%/ 25% straight line
Office equipment	-	20% straight line
Computer equipment	-	33.3% straight line

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Agency arrangements**

The trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

**1.7 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 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.

**1.8 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.

**1.9 Leased assets**

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

**1.10 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Pension benefits**

Retirement benefits to employees of the 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. As stated in note 20, 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 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 incorporating income and expenditure account 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

**1.12 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Education Funding Agency.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academies within the trust have not exceeded these limits during the year ended 31 August 2016.

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**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transferred from local authority on acquisition of Academy trust	-	-	-	-	1,468,475
Donations	<b>35,123</b>	<b>94,312</b>	-	<b>129,435</b>	92,044
Capital grants	-	-	<b>158,575</b>	<b>158,575</b>	575,304
Donated fixed assets	-	-	<b>6,412,285</b>	<b>6,412,285</b>	-
	<b>35,123</b>	<b>94,312</b>	<b>6,570,860</b>	<b>6,700,295</b>	667,348
Total donations and capital grants	<b>35,123</b>	<b>94,312</b>	<b>6,570,860</b>	<b>6,700,295</b>	2,135,823

In 2015, of the total income from donations and capital grants, £1,693 was to unrestricted funds and £2,134,130 was to restricted funds

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	<b>25,905</b>	-	<b>25,905</b>	12,667
School meal income	-	<b>168,687</b>	<b>168,687</b>	82,290
School funds	<b>310,388</b>	-	<b>310,388</b>	303,841
Miscellaneous income	-	<b>15,592</b>	<b>15,592</b>	13,092
	<b>336,293</b>	<b>184,279</b>	<b>520,572</b>	411,890

In 2015, of the total income from other trading activities, £320,495 was to unrestricted funds and £91,395 was to restricted funds.

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**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	1,702	-	1,702	1,102

In 2015, of the total investment income, £1,102 was to unrestricted funds and £ NIL was to restricted funds.

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General annual grant (GAG)	-	2,856,402	2,856,402	2,190,157
Other DfE/EFA grants	-	631,368	631,368	526,413
	-	3,487,770	3,487,770	2,716,570
<b>Other government grants</b>				
Local authority grants	-	355,768	355,768	399,731
	-	355,768	355,768	399,731
<b>Other funding</b>				
Other income	-	-	-	485,000
	-	-	-	485,000
	-	3,843,538	3,843,538	3,601,301

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £3,601,301 was to restricted funds.

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**7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	57,702	-	87,899	145,601	94,319
Expenditure on fundraising trading	472,334	-	132,987	605,321	441,535
Educational operation:					
Direct costs	1,904,902	-	328,345	2,233,247	1,691,721
Support costs	1,078,547	501,980	338,029	1,918,556	1,628,188
	<u>3,513,485</u>	<u>501,980</u>	<u>887,260</u>	<u>4,902,725</u>	<u>3,855,763</u>

In 2016, of the total expenditure, £479,476 (2015 - £149,761) was to unrestricted funds, £291,775 (2015 - £143,089) was to restricted fixed asset funds and £4,201,645 (2015 - £3,562,913) was to restricted funds.

**8. CHARITABLE ACTIVITIES**

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	<u>2,233,247</u>	<u>1,918,556</u>	<u>4,151,803</u>	<u>3,319,909</u>

**Analysis of support costs**

	2016 £	2015 £
Support staff costs	1,075,727	963,132
Depreciation	291,775	143,089
Technology costs	15,778	-
Premises costs	203,152	318,794
Other support costs	305,799	185,948
Governance costs	26,325	17,225
<b>Total support costs</b>	<u>1,918,556</u>	<u>1,628,188</u>

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**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	2015
	<b>£</b>	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>291,775</b>	143,089
Fees payable to auditor for - audit	<b>10,825</b>	9,825
Fees payable to auditor for - other services	<b>10,300</b>	7,400
Operating lease rentals	<b>17,516</b>	26,299
	<b>=====</b>	<b>=====</b>

**10. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	2015
	<b>£</b>	£
Wages and salaries	<b>2,802,281</b>	2,204,070
Social security costs	<b>183,039</b>	128,373
Operating costs of defined benefit pension schemes	<b>520,235</b>	412,861
	<b>=====</b>	<b>=====</b>
	<b>3,505,555</b>	2,745,304
Supply teacher costs	<b>5,110</b>	21,882
Staff restructuring costs - severance payments	<b>2,820</b>	-
	<b>=====</b>	<b>=====</b>
	<b>3,513,485</b>	2,767,186

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

	<b>2016</b>	2015
	<b>No.</b>	No.
Teachers	<b>48</b>	32
Administration and support	<b>147</b>	108
Management	<b>11</b>	7
	<b>=====</b>	<b>=====</b>
	<b>206</b>	147

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

	<b>2016</b>	2015
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	1

The key management personnel of the Academy Trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £727,285 (2015: £473,144).



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. CENTRAL SERVICES**

The Trust has provided the following central services to its academies during the year:

- Executive Headteacher salaries
- Administration salaries
- Professional services (clerking)

The Trust charges for these services on the following basis:

2.5% of GAG funding and 2.5% additional charge for Lace Hill for diseconomies of scale.

Central service costs have been charged from 1 September 2015.

The actual amounts charged during the year were as follows:

	<b>2016</b>	2015
	£	£
Bourton Meadow	<b>46,227</b>	-
George Grenville	<b>14,498</b>	-
Lace Hill	<b>9,446</b>	-
	<hr/>	<hr/>
Total	<b>70,171</b>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2016</b>	2015
		<b>£</b>	£
Mr M Kitson	Remuneration	<b>55,000-60,000</b>	55,000-60,000
	Pension contributions paid	<b>0-5,000</b>	0-5,000

During the year, no Trustees received any reimbursement of expenses (2015 - 1 trustee received reimbursement of expenses for £53).

Other related party transactions involving the trustees are set out in note 25.

**13. TRUSTEES' AND OFFICERS' INSURANCE**

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. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,078 (2015 was included in the total insurance cost of £27,737).

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**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2015	4,142,264	1,514,000	45,946	92,465	120,421	5,915,096
Additions	496,325	6,412,285	77,234	79,876	41,674	7,107,394
At 31 August 2016	<u>4,638,589</u>	<u>7,926,285</u>	<u>123,180</u>	<u>172,341</u>	<u>162,095</u>	<u>13,022,490</u>
<b>Depreciation</b>						
At 1 September 2015	288,300	13,661	24,515	33,707	71,353	431,536
Charge for the year	89,350	129,405	14,701	28,921	29,398	291,775
At 31 August 2016	<u>377,650</u>	<u>143,066</u>	<u>39,216</u>	<u>62,628</u>	<u>100,751</u>	<u>723,311</u>
<b>Net book value</b>						
At 31 August 2016	<u>4,260,939</u>	<u>7,783,219</u>	<u>83,964</u>	<u>109,713</u>	<u>61,344</u>	<u>12,299,179</u>
At 31 August 2015	<u>3,853,964</u>	<u>1,500,339</u>	<u>21,431</u>	<u>58,758</u>	<u>49,068</u>	<u>5,483,560</u>

On 1 September 2015 Buckinghamshire County Council transferred land and buildings to the Academy Trust for Lace Hill Academy which opened on 1 September 2015. The land and buildings are held on a 125 year lease and included in long-term leasehold property at a cost of £6,412,285.

**15. DEBTORS**

	2016 £	2015 £
Trade debtors	5,095	2,290
VAT recoverable	22,007	30,064
Other debtors	-	4,800
Prepayments and accrued income	219,984	289,426
	<u>247,086</u>	<u>326,580</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**16. CREDITORS: Amounts falling due within one year**

	<b>2016</b>	2015
	<b>£</b>	£
Capital loans	<b>590</b>	1,800
Other taxation and social security	<b>66,939</b>	43,612
Other creditors	<b>56,665</b>	49,380
Accruals and deferred income	<b>167,429</b>	125,514
	<hr/> <b>291,623</b> <hr/>	<hr/> 220,306 <hr/>
	<b>2016</b>	2015
	<b>£</b>	£
<b>Deferred income</b>		
Deferred income at 1 September 2015	<b>99,619</b>	78,678
Resources deferred during the year	<b>111,790</b>	99,619
Amounts released from previous years	<b>(99,619)</b>	(78,678)
Deferred income at 31 August 2016	<hr/> <b>111,790</b> <hr/>	<hr/> 99,619 <hr/>

Deferred income relates to income received in advance for trips, school meals and music tuition, free school meals grant income and rates income received in advance.

The capital loan is a Salix loan that relates to a lighting upgrade. The loan is interest free and repayable over a period of 8 years.

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	274,455	443,289	(479,476)	-	-	238,268
Other General funds	-	(70,171)	70,171	-	-	-
	<u>274,455</u>	<u>373,118</u>	<u>(409,305)</u>	<u>-</u>	<u>-</u>	<u>238,268</u>
<b>Restricted funds</b>						
General annual grant (GAG)	1,002	2,856,401	(2,828,027)	(25,833)	-	3,543
Local authority grants	35,160	317,092	(352,252)	-	-	-
Other DfE/EFA grants	403	493,669	(494,072)	-	-	-
Restricted donations	2,076	94,311	(96,159)	-	-	228
School meals	-	168,687	(116,544)	-	-	52,143
Lace Hill Academy	403,177	-	-	(158,418)	-	244,759
Miscellaneous restricted	8,100	15,592	(15,342)	-	-	8,350
SEN funding	-	38,677	(38,677)	-	-	-
Pupil premium	37	137,700	(135,170)	-	-	2,567
Transfer from LA	43,428	-	(43,402)	-	-	26
Pension reserve	(736,000)	-	(82,000)	-	(818,000)	(1,636,000)
	<u>(242,617)</u>	<u>4,122,129</u>	<u>(4,201,645)</u>	<u>(184,251)</u>	<u>(818,000)</u>	<u>(1,324,384)</u>

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**17. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

DfE/EFA unspent capital grants	<b>497,606</b>	<b>136,544</b>	-	<b>(488,825)</b>	-	<b>145,325</b>
DfE/EFA spent capital grants	<b>36,717</b>	-	<b>(12,117)</b>	<b>500,122</b>	-	<b>524,722</b>
Capital expenditure from other funds - unspent	-	<b>22,031</b>	-	<b>(22,031)</b>	-	-
Capital expenditure from other funds - spent	<b>273,653</b>	-	<b>(5,473)</b>	<b>169,152</b>	-	<b>437,332</b>
Capital expenditure from GAG	<b>51,154</b>	-	<b>(20,728)</b>	<b>25,833</b>	-	<b>56,259</b>
Capital transferred from LA	<b>5,122,038</b>	<b>6,412,285</b>	<b>(253,457)</b>	-	-	<b>11,280,866</b>
	<b>5,981,168</b>	<b>6,570,860</b>	<b>(291,775)</b>	<b>184,251</b>	-	<b>12,444,504</b>
Total restricted funds	<b>5,738,551</b>	<b>10,692,989</b>	<b>(4,493,420)</b>	-	<b>(818,000)</b>	<b>11,120,120</b>
Total of funds	<b>6,013,006</b>	<b>11,066,107</b>	<b>(4,902,725)</b>	-	<b>(818,000)</b>	<b>11,358,388</b>

The transfer between restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period and capital monies used for revenue expenditure.

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

Restricted fixed asset funds amounting to £12,299,179 will be reserved against future depreciation charges. The remaining £145,325 relates to unspent capital grants, which will be used to enhance the academy trust's facilities.

Restricted general funds will be used for educational purposes in line with the academy trust's objects and its funding agreement with the EFA.

Under the funding agreement with the Secretary of State, the trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.

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**17. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Bourton Meadow Academy	<b>289,179</b>	684,764
George Grenville Academy	<b>36,175</b>	83,074
Lace Hill Academy	<b>231,266</b>	-
Central services	<b>(6,736)</b>	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>549,884</b>	767,838
Restricted fixed asset fund	<b>12,444,504</b>	5,981,168
Pension reserve	<b>(1,636,000)</b>	(736,000)
	<hr/>	<hr/>
Total	<b>11,358,388</b>	6,013,006
	<hr/> <hr/>	<hr/> <hr/>

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Bourton Meadow Academy	<b>2,039,376</b>	<b>495,928</b>	<b>150,470</b>	<b>600,024</b>	<b>3,285,798</b>	3,366,085
George Grenville Academy	<b>527,019</b>	<b>146,645</b>	<b>64,691</b>	<b>149,870</b>	<b>888,225</b>	322,589
Lace Hill Academy	<b>206,370</b>	<b>98,147</b>	<b>80,477</b>	<b>121,088</b>	<b>506,082</b>	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>2,772,765</b>	<b>740,720</b>	<b>295,638</b>	<b>870,982</b>	<b>4,680,105</b>	3,688,674
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	12,299,179	12,299,179	5,483,560
Current assets	238,268	603,239	145,325	986,832	1,485,752
Creditors due within one year	-	(291,623)	-	(291,623)	(220,306)
Pension Scheme liability	-	(1,636,000)	-	(1,636,000)	(736,000)
	<u>238,268</u>	<u>(1,324,384)</u>	<u>12,444,504</u>	<u>11,358,388</u>	<u>6,013,006</u>

**19. CAPITAL COMMITMENTS**

At 31 August 2016 the trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	498,498

**20. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £56,626 were payable to the schemes at 31 August 2016 (2015 - Nil) 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**



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. PENSION COMMITMENTS (continued)**

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

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

During the 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 TPS in the period amounted to £239,513 (2015 - £147,261).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £288,000 (2015 - £235,000), of which employer's contributions totalled £231,000 (2015 - £188,000) and employees' contributions totalled £57,000 (2015 - £47,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% - 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.

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**20. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	<b>2016</b>	2015
Discount rate for scheme liabilities	<b>2.20 %</b>	4.00 %
Expected return on scheme assets at 31 August	<b>2.20 %</b>	5.70 %
Rate of increase in salaries	<b>4.10 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %
Inflation assumption (CPI)	- %	2.70 %

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

	<b>2016</b>	2015
Retiring today		
Males	<b>23.8</b>	23.7
Females	<b>26.2</b>	26.1
Retiring in 20 years		
Males	<b>26.1</b>	26.0
Females	<b>28.5</b>	28.4

The trust's share of the assets in the scheme was:

	<b>Fair value at 31 August 2016 £</b>	Fair value at 31 August 2015 £
Equities	<b>711,000</b>	475,000
Debt instruments	<b>327,000</b>	213,000
Property	<b>106,000</b>	69,000
Cash	<b>43,000</b>	29,000
Other assets	<b>113,000</b>	76,000
Total market value of assets	<b><u>1,300,000</u></b>	<u>862,000</u>

The actual return on scheme assets was £28,600 (2015 - £20,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2016 £</b>	2015 £
Net interest cost	<b>(23,000)</b>	(25,000)
Current service cost	<b>(283,000)</b>	(228,000)
Total	<b><u>(306,000)</u></b>	<u>(253,000)</u>

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**20. PENSION COMMITMENTS (continued)**

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

	<b>2016</b>	2015
	£	£
Opening defined benefit obligation	<b>1,598,000</b>	1,308,000
Interest cost	<b>65,000</b>	52,000
Contributions by employees	<b>57,000</b>	47,000
Actuarial losses/(gains)	<b>938,000</b>	(33,000)
Current service costs	<b>283,000</b>	228,000
Benefits paid	<b>(5,000)</b>	(4,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>2,936,000</b>	1,598,000
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2016</b>	2015
	£	£
Opening fair value of scheme assets	<b>862,000</b>	611,000
Return on plan assets (excluding net interest on the net defined pension liability)	<b>42,000</b>	27,000
Actuarial gains and (losses)	<b>120,000</b>	(3,000)
Contributions by employer	<b>231,000</b>	188,000
Contributions by employees	<b>57,000</b>	47,000
Administration expenses	<b>(7,000)</b>	(4,000)
Benefits paid	<b>(5,000)</b>	(4,000)
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Closing fair value of scheme assets	<b>1,300,000</b>	862,000
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**21. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2016</b>	2015
	£	£
<b>Amounts payable:</b>		
Within 1 year	<b>9,930</b>	10,512
Between 1 and 5 years	<b>7,633</b>	17,563
	<hr/>	<hr/>
Total	<b>17,563</b>	28,075
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	6,163,382	2,294,353
<b>Adjustment for:</b>		
Depreciation charges	291,775	143,089
Dividends, interest and rents from investments	(1,702)	(1,102)
Decrease/(increase) in debtors	62,720	(164,085)
Increase/(decrease) in creditors	72,527	(62,501)
Capital grants from DfE and other capital income	(158,575)	(575,304)
Defined benefit pension scheme obligation inherited	-	137,000
Defined benefit pension scheme cost less contributions payable	52,000	40,000
Defined benefit pension scheme finance cost	30,000	29,000
Assets and liabilities from local authority on conversion	-	(1,555,595)
Donated fixed assets	(6,412,285)	-
<b>Net cash provided by operating activities</b>	<b>99,842</b>	<b>284,855</b>

**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	722,972	1,159,172
Total	722,972	1,159,172

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. RELATED PARTY TRANSACTIONS**

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

Mr P J Fealey, a trustee of The Bourton Meadow Education Trust is also a Director of Buckingham Youth Clubs. In this capacity, he is not directly involved in making decisions relating to transactions with the academy.

All the transactions with Buckingham Youth Clubs were conducted at arms length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Mr P J Fealey received no benefit from any such arrangement.

The transactions are as follows:

- The Bourton Meadow Education Trust purchased services totalling £168 (2015 - £Nil).
- No amounts were outstanding at the year ended 31 August 2016 (2015 - £Nil).

No other related party transactions took place in the year other than the above and those disclosed in note 12.

**26. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the Trust received £46,000 and disbursed £46,000 from the fund. An amount of £Nil is included in other debtors relating to distributed funds that is receivable from EFA.

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**27. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		3,688,653	6,013,006
Total funds reported under FRS 102		<u>3,688,653</u>	<u>6,013,006</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	31 August 2015 £
Net income previously reported under UK GAAP		2,310,353
Pension valuation	A	(16,000)
Net movement in funds reported under FRS 102		<u>2,294,353</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in income/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 reduce the debit to income/expense by £16,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.