

**COMPANY REGISTRATION NUMBER:  
07148158 (ENGLAND AND WALES)**

**THE BOURNE ACADEMY  
(A Company Limited by Guarantee)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2017**

**THE BOURNE ACADEMY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

<b>CONTENTS</b>	<b>PAGES</b>
Reference and Administrative Details	1
Governors' Report	2 - 15
Governance Statement	16 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Governors' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 - 24
Independent Reporting Accountant's Report on Regularity	25 - 26
Statement of Financial Activities <i>incorporating the Income and Expenditure Account</i>	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	30 - 34
Other Notes to the Financial Statements	34 - 50

# THE BOURNE ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 AUGUST 2017

<b>Members</b>	Richard Knott Ben Vessey Tony Cottam (until 1 December 2016) <i>on behalf of Canford School</i> David Levin (from 1 December 2016) <i>on behalf of Canford School</i>
<b>The Board of Governors</b> <i>(as at date of signing – see page 3 for full details)</i>	Mark Avoth Joanna Binstead Tim Brown Daniel Butt Pauline Calvert Sue Churchill Caroline Foster Oliver Hunter Nicola Jinks Richard Knott (Chair) Heidi Leavesley John Lever David Mastrocola David Neill Jacqueline Page Ben Vessey
<b>Executive group</b>	Principal and Accounting Officer – Mark Avoth Vice Principal – Carol Harrison Assistant Vice Principal – Ashley St John Business Director – Caroline Gobell
<b>Company name</b>	The Bourne Academy
<b>Principal &amp; Registered Office</b>	Hadow Road Bournemouth Dorset, BH10 5HS
<b>Company Registration Number</b>	07148158 (England & Wales)
<b>Independent Auditor</b>	Crowe Clark Whitehill LLP Statutory Auditor Carrick House Lypiatt Road Cheltenham, GL50 2QJ
<b>Bankers</b>	Barclays Corporate Wytham Court 11 West Way Oxford, OX2 0JB
<b>Solicitors</b>	Blake Morgan LLP New Kings Road Tollgate Chandlers Ford Eastleigh Hampshire, SO53 3LG

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

### YEAR ENDED 31 AUGUST 2017

The Governors (Trustees/Directors) have pleasure in presenting their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving in a catchment area in the Kinson/East Howe districts of Bournemouth. It has a current pupil capacity of 870 students in years 7-11 and 150 for years 12 and 13. On the census day of 5 October 2017, there were 842 students on roll in years 7-11 and 102 on roll in years 12 and 13.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Bourne Academy is a company limited by guarantee (CRN: 07148158) and an exempt charity with no share capital. It was incorporated on 5 February 2010. The charitable company's memorandum and articles of association (dated 1 February 2010) and the funding agreement (dated 24 February 2010) are the prime governing documents of The Bourne Academy. The Governors of The Bourne Academy are the directors of the charitable company for the purposes of company law and the trustees for the purposes of charity legislation.

Details of the Governors who served during the year are included in on page 3.

#### Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a 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.

#### Trustee Indemnities

Subject to the provisions of the Companies Act, each Governor or other officer of the Academy shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

#### Members

Canford School is the Principal Sponsor of The Bourne Academy, and as such is a member of The Bourne Academy. Other members include the Chair of the Board of Governors and up to three persons appointed by the Principal Sponsor.

#### Governors

The Bourne Academy currently has sixteen Governors consisting of: ten Sponsor Governors, one Local Authority Governor, one Staff Governor, one Parent Governor, one Community Representative Governor, one Education Partner Governor and the Principal, who is an ex-officio Governor.

Governors are responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

Bournemouth and Poole College is The Bourne Academy's Education Partner.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

#### Recruitment and Appointment of Governors

The appointment of Governors is carried out in line with the requirements of the Articles of Association and is as follows;

- Sponsor Governors are appointed by the Principal Sponsor,
- Local Authority Governor is appointed by the Local Authority,
- Parent Governor is appointed via secret ballot of the parents of students at the Academy,
- Staff Governor is appointed via secret ballot of the staff of the Academy,
- Community Representative Governor is appointed by Principal Sponsor and approved by resolution of the Governors,
- Education Partner Governor is appointed by the Education Partner

Newly appointed Governors are provided with the Academy's 'Governor induction pack' which includes details of policies, procedures and training appropriate for the role. The Academy's Induction Policy is applied.

The term of office for any Governor shall be four years from the date of their appointment, save that this time limit shall not apply to the Principal. Subject to remaining eligible time to be a particular type of Governor, any Governor may be re-appointed or re-elected.

The Governors who served during the year to the date of this report are as follows;

Mark Avoth (P)	
Joanna Binstead (PG)	
Tim Brown (S)	(appointed 6 October 2016)
Daniel Butt (S)	(appointed 3 October 2017)
Eleonore Byde (S) ^	(resigned 4 July 2017)
Pauline Calvert (S)	
Sue Churchill (C)	
Caroline Foster (LA)	
Oliver Hunter (S)	(appointed 3 October 2017)
Nicola Jinks (S)	(appointed 3 October 2017)
Richard Knott (S) *	
Heidi Leavesley (S)	(appointed 3 October 2017)
John Lever (S)	
David Mastrocola (SG)	(appointed 22 September 2017)
David Neill (S) ^	(Vice-Chair from 4 July 2017)
Jacqueline Page (EP)	
Peter Thompson (SG)	(resigned 4 July 2017)
Ben Vessey (S)	
Neil Watkins (S)	(resigned 4 July 2017)

*	Chair of Board of Governors	^	Vice Chair of Board of Governors
S	Sponsor Governor	LA	Local Authority Governor
PG	Parent Governor	P	Principal
SG	Staff Governor	EP	Educational Partner Governor
C	Community Representative Governor		

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

#### **Organisational Structure**

During the year, The Bourne Academy has continued with the management structure, which was established in the implementation phase of the Academy. The structure consists of two levels; the Governors and the Executive group who are the Leadership Team.

The Executive group that served during the year and to the date of this report were as follows;

Mark Avoth	- Principal and Accounting Officer
Carol Harrison	- Vice Principal
Ashley St John	- Assistant Vice Principal
Caroline Gobell	- Business Director

The full Governing Body consists of sixteen Governors as detailed on page 1 and 3. Governors are responsible for setting general policy, adopting the Academy's development plan and associated financial plans and approving the annual budget. They monitor the Academy by the use of budgets and making major decisions about the direction of the Academy, including capital expenditure and senior staff appointments.

The Governing Body has established a Finance and Pay Committee, whose membership includes a small number of Governors and the Principal, with participation from the Finance Manager, to provide scrutiny and ensure probity of all financial matters relevant to the Academy.

The Governing Body has established other committees with responsibility for Risk Management and Appeals. These committees sit as and when required throughout the academic year. A number of Governors have also been appointed to have responsibility of various aspects of the Academy's life and further committees will be established, as required, to assist those Governors with their duties.

During the year the full Governing Body held four meetings and the Finance and Pay Committee (a sub-committee of the full Governing Body) held three meetings.

The day-to-day management of the Academy is carried out by the Executive group, which is headed by the Principal. They implement the policies laid down by the Governors and report back to them.

#### **Arrangements for setting pay and remuneration of key management personnel**

The Governors have delegated the power of setting pay and remuneration of all key management personnel, except for the Principal, to the Principal and the Finance and Pay Committee. The pay and remuneration of the Principal is set by the Governors.

Pay and remuneration is set in accordance with the Academy's pay policy (approved by the Governors annually), which sets out the parameters for successful performance over the year and the pay progression system. The Finance and Pay Committee review the performance management information and interrogate the decision making process behind pay awards given before approval is given.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

#### **Related Parties and other Connected Charities and Organisations**

Canford School, an independent school, is the Principal Sponsor of The Bourne Academy and as such is recognised as a connected party.

Canford School's vision for the Academy was that it would be at the heart of the community of East Howe, offering local families an excellent education, new opportunities and facilities available to all. Raising pupils' expectations, building their self-confidence and teaching them appropriate skills that allow them to build a successful career and contribute to society were, and remain, central to The Bourne Academy's aims. Canford School promotes the vision for the Academy by forging strong links to the Academy, through the provision of Governors, staff expertise, access to facilities and joint student learning experiences. Canford School provides the opportunity for Year 11 Academy students to apply for a scholarship to the prestigious school's 6th Form. Students have to sit several exams, attend two interviews and achieve excellent GCSE results .

The Academy has also founded a charitable organisation, The Bourne Foundation. The objectives of The Bourne Foundation are to support The Bourne Academy in creating an aspirational community of learning and achievement that will make a positive contribution to its students and the wider community, and it will fulfil these objectives by fundraising and financially supporting projects within the Academy. The Bourne Foundation is considered to be a connected charity.

### OBJECTIVES AND ACTIVITIES

#### **Objects, Aims and Public Benefit**

The principal objective and activity of the charitable company is to advance, for the public benefit, education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, Engineering & Design and English and in particular, but without limiting the generality of the foregoing, to counter the impact of deprivation and disadvantage on education, and to promote educational work within the community served by The Bourne Academy. In setting out our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### OBJECTIVES AND ACTIVITIES *(continued)*

#### Objectives, Strategies and Activities

The Academy's main strategy is encompassed in its mission statement, which is "Everyone is a learner and everyone is a teacher".

The Academy aspires to become an inspiring learning centre for everyone who engages with us, with all activities and experiences in the Academy focused on learning, personal growth and supporting all the learners to lead successful, fulfilling lives. The Bourne Academy should be accessible and enjoyable for everyone who wishes to engage in learning and personal growth. Together, the Academy will succeed in developing this vision through our 6 priorities of:

- Raising aspirations of students, their parents/carers and the community, reducing absence, and ensuring that all leaving students are in employment, education or training.
- Raising standards including attainment for all years and standards in English and Mathematics.
- Developing strong partnerships with parents/carers, businesses and the local and wider community.
- Ensuring inclusive learning, namely the highest standards of learning and teaching, and a relevant and personalised curriculum for all students.
- Developing a culture of Rights & Responsibilities where outstanding behaviour allows all learners to achieve success and all members of the Academy treating each other with respect.
- Ensuring that leadership skills and attributes are fostered and displayed throughout the Academy by staff and students.

The Bourne Academy believes that all students should be empowered to achieve and aspire to the highest possibilities; be treated with respect and treat others with respect, and enjoy the Academy. We are therefore committed to providing a caring and safe environment through the House System for all of our students so that they can learn in an atmosphere of mutual respect for each other's views and approaches to life.

The Academy will develop literate, numerate global citizens who **ASPIRE**, i.e. they are:

Ambitious  
 Self-confident  
 Physically Aware  
 Independent Learners  
 Resilient  
 Emotionally Literate

Our shared objectives are that every student:

- Has belief in and a positive vision for themselves, their future and their school.
- Is literate and able to communicate ideas clearly and confidently.
- Can think clearly and is able to question, make decisions and solve problems.
- Understands and can apply engineering and design principles to make life better for people.
- Is well prepared to participate in the community as a global citizen.



# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### OBJECTIVES AND ACTIVITIES *(continued)*

#### Equality Policy

The Bourne Academy's Equality Policy brings together all previous policies, schemes and action plans around equality including those that we had previously for Race, Gender and Disability. The Equality Policy has been developed as part of the Academy's commitment to our duties under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations. We are further committed to the development and promotion of cohesive communities both within the Academy's physical boundaries and within our local, national and global environments.

The Academy and the Governing Body embrace the aim of working together with others to improve the educational and wellbeing outcomes for children and young people, which is pivotal to our central belief that everyone is a learner and everyone is a teacher, and notes the rights set out in the UN Convention on the Rights of the Child, the UN Convention on the Rights of People with Disabilities, and the Human Rights Acts 1998.

The Academy seeks to embed equality of access, opportunity and outcome for all members of The Bourne Academy community, within all aspects of Academy life. In working towards this, we are guided by the following key concepts:

- **Shared humanity.** Identifying commonality and shared values, aspirations and needs underpins our approach to equality. We value our fundamental similarities and universality.
- **Valuing difference and diversity.** We recognise and respect difference and look for ways of celebrating and understanding them better.
- **Personal and cultural identity.** We will provide opportunities to explore and value the complexity of our personal and cultural identities.
- **Interdependence, interaction and influence.** The Academy recognises that, as they evolve, distinct cultures, beliefs and lifestyles will impact on and inform each other.
- **Social cohesion.** We foster positive attitudes, relationships and a shared sense of cohesion and belonging within the Academy and our local community.
- **Excellence.** We will develop literate, numerate global citizens who ASPIRE, and to recognise and support high personal and collective achievement throughout our local, national and global communities.
- **Fairness and social justice.** We will develop our understanding of the inequalities and barriers that already exist in society and explore ways to reduce and remove them and promote a more equitable society.

We will ensure that we identify opportunities for promoting our vision, the key concepts, guiding principles, develop non-statutory policies, and our duties on equality legislation across all aspects of Academy life.

The Academy will actively promote and disseminate its Policy and any revisions to the Policy will be published as and when appropriate. We aim to continue to maintain positive and on-going engagement with the wider Bourne Academy community of staff, Governors, students, parents and partner agencies and will do so through a wide range of forums.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRATEGIC REPORT

#### **Achievements and Performance, including Key Performance Indicators**

At the start of October 2014 the Academy underwent a full inspection by Ofsted with the Academy receiving a 'Good' in all 4 judgement areas and the 6<sup>th</sup> form and an overall effectiveness grade of 'Good'. Ofsted found that:

- Students within the Academy are making excellent progress in English and that their progress in other subjects, including Mathematics and Science, has improved so that overall students' achievement is good.
- Achievement gaps between different groups of students are narrowing quickly.
- Students' behaviour is good, both in and out of lessons, with the Academy providing a safe and harmonious environment for all. Safeguarding is the top priority of the Academy.
- The quality of teaching is consistently good with some outstanding teaching.
- Leadership and management, along with the Governing Body, are very effective.
- Students praise the individual support and good level of teaching they receive in the 6<sup>th</sup> form.

The report recommends two areas where improvement is needed in order to become an outstanding school: more written feedback from teachers and further embedding good practice in the 6<sup>th</sup> form. These findings continue to form an important part of the Academy's development plan and are met through continued coaching and review of practices.

#### **Results**

The Academy sets out its key performance indicators (KPIs) in the development plan for the year and monitors progress throughout the year, amending strategies as required, in order to achieve these KPIs.

At GCSE level the main KPIs for this year were to achieve a positive Progress 8 score and to obtain 65% of students achieving grade 9-4 (equivalent A\*-C) at GCSE in English and Maths.

The Academy's Progress 8 figure has not yet been confirmed, due to successful remarks (we are still awaiting confirmation from the Department of Education), but it is expected to be between -0.10 and -0.26. Although, this has not met the Academy's KPI, the figure is above the floor standard of -0.50 set by the Department of Education. The Academy's run of English results continued with 70.4% of student obtaining grades 9 to 4 and 17.6% obtaining grades 9-7 (equivalent to grades A\*-A). The Maths results were sustained at the level of the previous year with 60% of students obtaining grades 9-4. Overall, the Academy did not meet its KPI of achieving 65% of students obtaining grade 9-4 in both subjects. The Academy continues to work on strategies to improve results, especially in Maths and Science and this is discussed further in Plans for Future Periods.

At A-Level the main KPI was to obtain a 100% pass rate, which was achieved for the second year in a row. This is above the national average of 98.1% and the Academy is the only school in the borough which has achieved this result.

A-Level results were again successful, this being the second year where 100% of students obtained grades A\* - E. All students who have applied to university, through the UCAS system, have secured a place at their first choice institution and course, with two students gaining Russell group university places. One student secured a Higher Apprenticeship at Sunseeker, beating hundreds of other applicants. The Academy is exceptionally proud of the work of these students and wishes them every success for their future.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRATEGIC REPORT *(continued)*

#### **Disadvantaged Students**

Disadvantaged Student funding (formerly Pupil Premium funding) is received in addition to our main Government funding and is given to schools and academies to help narrow the attainment gap between pupils from low income families and their peers. Students are eligible for this funding if they have been registered for Free School Meals at any point in the last 6 years or they are Looked After (in care). Approximately 35% of students currently at the Academy are eligible for Disadvantaged Student funding.

During 2016/17 the Academy's Disadvantaged Student Coordinator continued to ensure that the Academy's disadvantaged students funding is used to maximum effect. The GCSE results showed that the Academy's disadvantaged students out-performed the national average, with 44% of the students obtaining Grades 9 to 4 in English and Maths. The internal gap (the gap between disadvantaged students and non-disadvantaged students) narrowed and was significantly narrower than the 2016 national gap for the Progress 8 measurement (The Academy -0.20 gap; national -0.48 gap).

A wide range of interventions are provided for our disadvantaged students, with funding being utilised in the following areas;

- 50% discount on educational trips to encourage access to opportunities,
- 'Year 11 Success Evening' for disadvantaged students and their parents offering a point of contact to parents for advice regarding the run-up to the GCSE exams and how they can best support their children,
- Bespoke resource pack for each Year 11 disadvantaged student, containing resources required to prepare them effectively for exams,
- Provision of tablets to all Year 11 disadvantaged students, allowing them easy access to a number of online resource and revision sites used by the Academy.
- 'Sound Training' literacy programme, used to support students across the school who have been identified as needing additional literacy intervention.
- Small-group interventions for science and literacy.

#### **6th Form**

The Academy's 6<sup>th</sup> Form has now been open for 4 years. In 2017, the results were again exceptional, with a 100% pass rate. This year the Academy provided 12 subjects at A-Level and 7 subjects at BTEC Level 3.

The Academy provides a range of A-Levels or Level 3 BTEC courses to its students, which will benefit them whether they choose to go on to University or into the work place.

A distinctive addition to our 6<sup>th</sup> Form is that of the Bourne Ambassador Scheme. This is a pioneering and effective project which pairs up each 6<sup>th</sup> former with a local business expert for two years of mentoring through the A-Level course. The Ambassador advises students on how to present themselves; they offer self-confidence tips and their experience and expertise to successfully negotiate a route into Higher Education or employment. The Academy has recruited increased numbers into the scheme this year and the programme has been so successful that it was presented at the national UCAS conference for careers advisors in February.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRATEGIC REPORT *(continued)*

Careers advice is exceptionally strong at the Academy, this being evidenced by our Careers Advisor securing a national award for careers advice and guidance, which ranks the Academy within the top 3 schools nationally.

#### **Pastoral Care and Attendance**

Pastoral care continues to be provided to the students through the House and tutor system and the assertive mentoring scheme implemented by the Academy. The emotional well-being and attitude to learning of the students continues to remain a priority and the effectiveness of our Heads of House work in this area can be seen through the sustained level in student attendance throughout the academic year. The Academy's own Education Social Worker and Student Support Officer work alongside the Heads of House, assisting them with this work and also provide outreach work to primary partners to embed good attendance before students join the Academy. Overall attendance at the Academy remained stable this year at 94.67%, which is above the national expectation. The Academy will continue to refine its already robust attendance systems and procedures in order to meet its aspirational target of 96% attendance.

Additional pastoral care and support is provided through after-school curriculum enrichment sessions, which has been effective in accelerating students' progress, preparing them for examinations and promoting their sense of well-being. An Emotional Health and Well Being Coordinator has been appointed to support all students.

The Student Council for the year, led by the Head Boy and Head Girl and their Assistants, continued to be a positive force within the Academy and the Academy welcomes the positive contributions to the school community that this council, and its associated sub-committees, has made. They, along with the Academy's student leaders, are playing a significant part in shaping the direction of the Academy and allowing the students to develop their ability to ASPIRE.

The Academy continues to strengthen links with local primary schools through our Primary Partnership scheme. This scheme provides a range of workshops and activities to primary school students and allows them to interact with our older students while having an introduction to the larger spaces of secondary schools in a positive manner. The scheme also develops our own students; improving their leadership abilities, building their self-confidence and allowing them to develop a sense of pride in their school which they can share with the wider community.

The Academy continues to raise funds to improve and upgrade the facilities offered to students. Income continues to be raised via grant application and actively trying to increase income raised through community lettings. An area of focus for the second half of this year was to raise monies to support a new Early Intervention and Mental Health programme, commencing in September 2017. The Academy would like to thank the Valentine Trust for donating £10,000 and the Alice Ellen Cooper-Dean Foundation for donating £5,000 towards this programme.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### STRATEGIC REPORT *(continued)*

#### Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Academy 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 (page 30). Although cash flow continues to remain a concern to the Governors, improvements have been seen during this year. Governors continue to regularly review the position and are working on strategies to mitigate this.

### FINANCIAL REVIEW

Throughout the year, the Academy continued to develop the accounting functions, paying particular regard to the recommendations provided by the internal auditors. The finance manual, detailing the procedures in place, continues to be reviewed and updated on an on-going basis to ensure compliance with the Academies Financial Handbook and that the financial policies and controls used are appropriate and consistently applied.

The Academy receives the majority of its funding from the Education and Skills Funding Agency (ESFA). The income received from the ESFA is split into three main areas; the General Annual Grant (calculated from the number of pupils enrolled in the Academy), the start-up grant, and grants for other purposes as applied for by the Academy. Other income is received from the Local Authority (Bournemouth Borough Council) and through other activities carried out by the Academy. The Academy has actively promoted its community lettings this year and seen a substantial increase in lettings income as a result.

Total income for the year amounted to £5,461,501 (2016 - £5,011,969). The total amount received from the ESFA during the year was £5,117,438 (2016 - £4,723,399) which makes up 93.7% (2016 – 94.2%) of the year's total funding. The increase in income from the ESFA relates to General Annual Grant which has increased due to the number of students now on roll at the Academy. The component parts of the ESFA funding are as follows:

- £4,716,014 for the General Annual Grant (GAG);
- £27,148 for start-up grant.
- £308,039 in respect of Disadvantaged Student funding.
- £19,837 in respect of Year 7 Catch Up funding.
- £18,366 for capital purposes.
- £28,034 in respect of rates relief.

The Academy also received funds totalling £344,063 (2016 - £288,570) from a number of other sources as follows:

- £116,371 from the local authority (£96,661 for special educational needs and £19,710 for managed pupil moves and Looked After Children Disadvantaged Student funding).
- £90,278 from parents and pupils for contributions towards school trips & activities.
- £84,253 raised through uniform and tuition sales, sale of staff services, sales of goods and hire of facilities.
- £4,467 from Teach 1<sup>st</sup> to support training for Teach 1<sup>st</sup> graduates.
- £15,000 from the Valentine Trust and the Alice Ellen Cooper-Dean Foundation to support a programme of Early Intervention and Mental Health
- £17,517 in respect of contributions from foreign students for visits to the Academy
- £16,177 of other sales, grants, donations and receipts, including £1,230 of capital donations.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### FINANCIAL REVIEW *(continued)*

Income, which is received with a stipulation of the terms on how it is to be expended, is included within the restricted funds and the associated expenditure is taken to these funds. Where income is received specifically for capital purposes then it is included within the restricted fixed assets fund. All other restricted income is included within the restricted general funds.

The total expenditure for the Academy for the year amounted to £5,866,736 (2016 - £5,650,257) and the vast majority is associated with providing education to the students attending the Academy. This is done through the provision of teaching staff, educational materials and resources and ensuring that the infrastructure is in place to support this provision.

The largest item of expenditure for the Academy is the cost of its employees, who are made up of teaching, educational support staff, management and administration staff. Staffing costs for the year, including redundancies and supply cover costs (as per note 9), came to £4,329,495 (2016 - £3,991,581) which is 73.8% (2016 - 70.6%) of the total expenditure and 79.3% (2016 - 79.6%) of income received in the year.

£281,186 (2016 - £278,308) has been spent during the year on the upkeep and maintenance of the school premises. The small increase is a result of having a full year of contracted out cleaning fees (outsourced half way through the prior year), countered by a reduction in utility costs, as the Academy switched suppliers at the start of the year, and general maintenance costs. The remainder of the expenditure, £1,256,055 (2016 - £1,380,368) was spent on areas such as training and development of staff, educational supplies and resources, student welfare, examinations and IT. Costs have reduced this year due to improved budgetary control and a conscious effort to reduce spending wherever possible.

On its educational provision, the Academy incurred a deficit of £110,037 (2016 - a deficit of £293,834). This was a slight increase on the budgeted deficit for the year of £94,510. Although the final deficit was greater than initially planned, this does include a 6<sup>th</sup> Form funding claw back of £108,543 by the ESFA. This was in relation to fewer 6<sup>th</sup> Form students on roll than anticipated when funding was agreed. Overall, the Governors are pleased with the result as substantial cost savings have been made during the year, which nearly mitigate the claw back. The Governors continue to monitor the Academy's Medium Term Financial Plan, which reviews the forecasts up until 2018/19, when the Academy is expected to have returned to an in-year revenue surplus. Overall, the Academy achieved a net deficit for the year, prior to actuarial losses on the pension scheme, of £405,235 (2016 - £638,288). This incorporates the deficit on educational provision of £110,037, capital funding received of £18,366, less the depreciation on the building and ICT capital projects of £232,564 and finance costs associated with the Local Government Pension Scheme of £81,000.

The Academy's associate staff members belong to the Local Government Pension Scheme (LGPS), which is a defined benefit pension scheme. The LGPS had an interim actuarial valuation as at 31 August 2017, and using the assumptions detailed in note 24 to the financial statements, the deficit on the scheme was calculated to be £3,118,000; this has resulted in an actuarial loss on the scheme of £346,000 being recognised in the statement of financial activities.

Overall, the Academy had a net decrease in funds of £670,235 (2016 - £1,988,288) and as at 31 August 2017 the Academy had funds totalling £6,496,014 (2016 - £7,166,249). Of this £6,440,943 (2016 - £7,091,667) is contained within the restricted funds, a breakdown of which can be seen in note 16 to the financial statements.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### FINANCIAL REVIEW *(continued)*

#### **Reserves Policy and Financial Position**

The Academy aims to have funds on reserve that enable it to meet its on-going operational costs for a period of 3 months. The Governors intend to review the reserve levels of the Academy annually to ensure that this policy remains appropriate and to ensure that this provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As at 31 August 2017 the Academy held total fund balances of £6,496,014. Of this the free reserves, which just incorporates the unrestricted funds, amounted to £55,071 (2016 - £74,582). Free reserves, plus the carried forward funds in relation to the General Annual Grant and the Start Up Grant, but excluding other restricted funds, amounted to £55,071 (2016 - £133,581). The Governors use this total to determine whether operational reserves meet the required level, and this year have determined that this level of operational reserves does not meet the required level. The Academy is focusing on increasing lettings income over the coming financial year to improve this situation and the Governors will consider this and other strategies over the coming months to increase the level of these reserves.

The LGPS pension reserve deficit of £3,118,000 causes the Restricted General Funds to appear negative in value at 31 August 2017. The value of this reserve is calculated by an interim actuarial valuation of the LGPS as at 31 August 2017. As explained in note 24, if this deficit ever became payable the liabilities on the LGPS would be met by the Department of Education and not by the Academy. Excluding the pension reserve the value of restricted general funds is £15,000 (2016 - £58,999).

The funds contained in the restricted fixed asset fund are not available for the general purposes of the Academy as at 31 August 2017.

#### **Investment Policy**

The Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds.

#### **Risk Management including Principal Risks and Uncertainties**

A risk management committee has been established as part of the Academy's internal control arrangements. They conduct an on-going review of the major risks to which the Academy has been exposed, ensure that appropriate steps have been taken as necessary to mitigate these risks and provide regular updates of the Academy's risk register for consideration by the Leadership Team.

The principal risk facing the Academy is that future income streams may not be sufficient to cover forecast future expenditure plans. Student numbers are the key driver of the Academy's income, and the demographic trends set out in local population estimates showed that secondary school student numbers within Bournemouth decreased until 2014/15, before they started to climb significantly following the large numbers of children presently within local primary education.

# THE BOURNE ACADEMY

## GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2017

### **FINANCIAL REVIEW** *(continued)*

The Academy continues to report a steady increase in pupil admissions which is expected to continue until Years 7 to 11 reach full capacity (expected academic year 2018/19). Entries into the Academy's 6<sup>th</sup> Form have been less than anticipated in the last three years, but increased to a 76 student intake in September 2017 leading to expectations that the 6<sup>th</sup> Form will be full in September 2019.

The risk register identifies a number of other significant financial risks and puts in place effective means, including appropriate insurance cover, to mitigate these risks and safeguard the Academy's interests. The Academy also has in place systems of internal financial control which are regularly reviewed and updated.

### **PLANS FOR FUTURE PERIODS**

The Academy will continue to carry out on-going reviews of structure and procedures across the Academy with revisions taken as and when required.

The building programme undergone by the Academy over 2 years was completed in December 2013. This is allowing the Academy to gradually increase capacity from 650 students to 1,050 in September 2018 (this includes a dedicated 6<sup>th</sup> form centre for up to 150 post 16 learners). Currently the Academy has approximately 944 learners on roll and it is expected that full capacity will be reached in September 2018.

The Governors are reviewing the going concern status of the Academy in light of an expected decline in cash balances over the next financial year. From 2018/19 the Academy expects to benefit from an increase in government funding per student as the National Funding Formula starts to be applied. Other strategies continue to be worked on to close the deficit. This year has seen the generation of lettings income substantially increase and the Academy plans to continue to expand the lettings provision, specifically through the let of the new MUGA pitch. The level of letting income reached over £60,000 in 2016/17 and the Governors are considering the incorporation of a trading subsidiary which will manage this type of income. Another focus for income generation will be via The Bourne Foundation (registered charity number 1165790) with fundraising applications and activities.

The Academy continues to focus on the 6<sup>th</sup> form, which entered its fifth year of existence in September 2017. In order to maximise student recruitment and retention the Academy plans to offer an increased range of subjects at A-Level (in particular Business Studies and Sociology) over the next couple of years. The Academy is looking to expand the 6<sup>th</sup> form over the next few years, both in number and physical size. Plans will be discussed over the coming years and methods of funding arranged.

The academic focus for 2017/18 will be to continue to raise attainment, particularly in Mathematics and the Science subjects. One strategy being implemented over the next year is a change to the Academy staffing structure. The new structure shows clear promotion pathways, which should lead to retention of outstanding teachers. September 2017 saw the initial implementation of the new staffing structure with the appointment of a Director of Maths and Director of Arts and Physical Well-being. A Director of Science is being appointed from January 2018. Strategies for teaching and progress tracking continue to be developed in order to maximise students' potential. The Academy will also work to continue to stretch the higher ability students at both GCSE and A-Level.



**THE BOURNE ACADEMY****GOVERNORS' REPORT****YEAR ENDED 31 AUGUST 2017****AUDITOR**

Insofar as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware,
- The Governors 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.

Crowe Clark Whitehill LLP has expressed its willingness to continue in office as statutory auditor and a resolution proposing its re-appointment will be submitted to the forthcoming Annual General Meeting.

The report of the Governors, incorporating a Strategic Report, was approved by the Governing Body, as the company directors, on 12/12/17 and signed on their behalf by:



**RICHARD KNOTT**  
Chair of Governors

# THE BOURNE ACADEMY

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2017

### SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility to ensure that The Bourne Academy 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 Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, and the Finance and Pay Committee 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 Bourne Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statements of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governors was as follows;

	<b>Meetings attended</b>	<b>Out of a possible</b>
Mark Avoth	4	4
Joanna Binstead	3	4
Tim Brown	3	3
Eleonore Bye	4	4
Pauline Calvert	4	4
Sue Churchill	2	4
Caroline Foster	3	4
Richard Knott (Chair)	4	4
John Lever	3	4
David Neill	3	4
Jacqueline Page	3	4
Peter Thompson	3	4
Ben Vessey	3	4
Neil Watkins	2	4

Following a self-evaluation review and skills audit carried out in the prior year, the Governing Body decided to actively recruit new Governors in order to increase the breadth of knowledge and experience that could be brought to the Academy. This resulted in the successful appointment of Daniel Butt, Oliver Hunter, Nicola Jinks and Heidi Leavesley, who took up their posts in the new academic year. A new staff governor, David Mastrocola, was elected by the staff of the Academy in September 2017. At the end of the year Eleonore Bye, vice-chair of Governors since the Academy's incorporation, retired. The Governing Body would like to thank her for her time and commitment to the Academy.

During the year, the Governing Body has continued to review progress against the key performance indicators detailed in the Academy's development plan. They challenge the executive group on the results obtained, seeking explanations and confirming validity of the information presented. The major challenge for the Academy continues to be managing the finances effectively in line with the funding provided by the Department of Education.

**THE BOURNE ACADEMY**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2017**

**GOVERNANCE** *(continued)*

The Governing Body will undertake another self-evaluation review within the next two years.

The Finance and Pay Committee is a sub-committee of the main Governing Body. Its purpose is to monitor the Academy's finances over the year, which includes; levels of funding (indicative and actual), budgets and the medium term prospects, monitor and review the financial procedures within the Academy and receive the auditor's reports and recommendations. The Finance and Pay Committee is required to report back to the full Governing Body and make recommendations as required for the full Governing Body approval. Meetings of the Finance and Pay Committee are generally held 3-4 weeks prior to a full Governors' Meeting.

Attendance at the meetings during the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Tim Brown	3	3
Pauline Calvert ( <i>chair</i> )	3	3
Richard Knott	3	3
Mark Avoth	3	3

**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The focus of the Academy is always to raise educational standards and improve the achievements of our students, and with this in mind, the Accounting Officer has focused resources in a way to maximise the students' achievements while being mindful to deliver good value in the use of public resources. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continuing to review and update the IT technology provision to students and staff. The Academy has continued to work on the improved internet capability from the prior year and has sourced more IT equipment, in particular laptops, through operating leases which has improved students access to technology while ensuring sound financial planning.
- Reviewing the Academy's energy provision and commencing a three-year contract with a new supplier. This has had the dual benefit of fixing gas and electric costs until September 2019 and reducing the cost paid for these utilities.
- Moving to a two-week timetable for the first time in September 2016. This has allowed greater flexibility with staffing, ensuring that teachers' are fully utilised and prevented the hiring of additional staff.

# THE BOURNE ACADEMY

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2017

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Bourne Academy from 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period from 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### THE RISK AND CONTROL FRAMEWORK

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties (where possible) 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 Governing Body;
- regular review by the Finance and Pay 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 guidelines;
- delegation of authority and segregation of duties (where possible);
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Moore Stephens as internal auditor during the year to 31 August 2017.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. This year Moore Stephens have performed two reviews of the financial processes in line with the Academy's Finance Manual and the Academy Handbook 2016 and delivered their work schedule as planned. In the checks carried out in the current period included:

- testing purchasing and banking procedures
- testing of funding submissions and income
- review of budgets and budgeting procedures
- compliance with the requirements of the Academy's Financial Handbook 2016.

The internal auditor reports to the Governing Body, through the Finance and Pay Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

**THE BOURNE ACADEMY**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2017**

**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 the review of the system of internal control by the Finance and Pay 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 Governing Body on 12/12/17 and signed on its behalf by:



**RICHARD KNOTT**  
Chair of Governors



**MARK AVOTH**  
Accounting Officer

**THE BOURNE ACADEMY**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**YEAR ENDED 31 AUGUST 2017**

As Accounting Officer of The Bourne Academy, I have considered my responsibility to notify the Academy's Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy 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 2016.

I confirm that I, and the Academy's Governing Body, are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2016.

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 Governing Body and ESFA.



**MARK AVOTH**  
**Accounting Officer**

Date: 12 December 2017

**THE BOURNE ACADEMY**  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2017**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governing Body on 12/12/17 and signed on its behalf by:



**RICHARD KNOTT**  
**Chair of Governors**

## THE BOURNE ACADEMY

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2017

#### Opinion

We have audited the financial statements of The Bourne Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the related notes numbered 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources 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.

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

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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



## THE BOURNE ACADEMY

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2017

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- 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.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**THE BOURNE ACADEMY**  
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**  
**TO THE MEMBERS OF THE BOURNE ACADEMY**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A handwritten signature in black ink, appearing to read 'Martin Regan', with a large, sweeping underline that extends to the right and loops back under the name.

Martin Regan

Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House,  
Lypiatt Road,  
Cheltenham  
GL50 2QJ

Date 15/12/17

## **THE BOURNE ACADEMY**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOURNE ACADEMY LIMITED AND THE THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017**

In accordance with the terms of our engagement letter dated 22 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bourne Academy during the year 1 September 2016 to 31 August 2017 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 Bourne Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bourne Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Bourne Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of The Bourne Academy's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Bourne Academy's funding agreement with the Secretary of State for Education dated 24 February 2010, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE BOURNE ACADEMY LIMITED****INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO THE BOURNE ACADEMY LIMITED AND THE  
EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017**  
*(continued)*

The work undertaken to draw our conclusion includes a review of the design and implementation of the charitable company's internal controls, supported by detailed tests on a sample of costs incurred by the charitable company and specific transactions identified from our review.

**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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Crowe Clark Whitehill* ✓

**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House,  
Lypiatt Road,  
Cheltenham  
GL50 2QJ

Date:

*15/12/17*

**THE BOURNE ACADEMY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**Incorporating the Income and Expenditure Account**  
**YEAR ENDED 31 AUGUST 2017**

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	3	2,295	19,909	1,230	23,434	62,381
<b>Charitable activities:</b>						
Funding for the Academy's educational operations	4	-	5,219,910	18,366	5,238,276	4,803,160
Other trading activities	5	101,770	5,985	-	107,755	86,227
Investments	6	52	-	-	52	371
Income from educational trips		-	90,278	-	90,278	57,349
Other income		1,706	-	-	1,706	2,481
<b>TOTAL INCOME</b>		<b>105,823</b>	<b>5,336,082</b>	<b>19,596</b>	<b>5,461,501</b>	<b>5,011,969</b>
<b>EXPENDITURE ON:</b>						
Raising funds		71,070	-	6,696	77,766	37,422
<b>Charitable activities:</b>						
Academy's educational operations	8/9	-	5,515,345	273,625	5,788,970	5,612,835
<b>TOTAL EXPENDITURE</b>		<b>71,070</b>	<b>5,515,345</b>	<b>280,321</b>	<b>5,866,736</b>	<b>5,650,257</b>
<b>NET INCOME / (EXPENDITURE)</b>						
Transfers between funds	16/17	34,753 (54,264)	(179,263) 54,264	(260,725) -	(405,235) -	(638,288) -
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<b>(19,511)</b>	<b>(124,999)</b>	<b>(260,725)</b>	<b>(405,235)</b>	<b>(638,288)</b>
<b>OTHER RECOGNISED GAINS/ LOSSES</b>						
Actuarial (losses) on defined benefit pension schemes	24	-	(265,000)	-	(265,000)	(1,350,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(19,511)</b>	<b>(389,999)</b>	<b>(260,725)</b>	<b>(670,235)</b>	<b>(1,988,288)</b>
<b>RECONCILIATION OF FUNDS</b>						
Funds brought forward at 1 September 2016		74,582	(2,713,001)	9,804,668	7,166,249	9,154,537
<b>FUNDS CARRIED FORWARD AT 31 August 2017</b>	<b>18</b>	<b>55,071</b>	<b>(3,103,000)</b>	<b>9,543,943</b>	<b>6,496,014</b>	<b>7,166,249</b>

All of the Academy's activities derive from continuing operations during the above two financial periods.

The notes on pages 30 to 50 form part of these financial statements

# THE BOURNE ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12		9,518,628		9,777,123
<b>CURRENT ASSETS</b>					
Debtors	13	256,490		267,978	
Cash at bank and in hand		355,828		257,507	
		612,318		525,485	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	(482,216)		(355,998)	
<b>NET CURRENT ASSETS</b>					
			130,102		169,487
<b>Total assets less current liabilities</b>					
Creditors: Amounts falling due after one year	15		9,648,730		9,946,610
			(34,716)		(8,361)
<b>Net assets excluding pension liability</b>					
			9,614,014		9,938,249
Defined benefit pension scheme liability	24		(3,118,000)		(2,772,000)
<b>TOTAL NET ASSETS</b>					
			6,496,014		7,166,249
<b>FUNDS OF THE ACADEMY</b>					
<b>Restricted funds</b>					
Pension deficit reserve	16	(3,118,000)		(2,772,000)	
Fixed asset fund		9,543,943		9,804,668	
Restricted general funds		15,000		58,999	
<b>TOTAL RESTRICTED FUNDS</b>					
			6,440,943		7,091,667
<b>Unrestricted general funds</b>					
	17		55,071		74,582
<b>TOTAL FUNDS</b>					
			6,496,014		7,166,249

The financial statements on pages 27 to 50 were approved and authorised for issue by the Governors on 12 December 2017 and signed on their behalf by:



**RICHARD KNOTT**  
Chair of Governors

Company Registration number: 07148158

The notes on pages 30 to 50 form part of these financial statements

**THE BOURNE ACADEMY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	22	100,499	(271,493)
Cash flows from investing activities	22	(2,178)	(52,919)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>98,321</u>	<u>(324,412)</u>
Cash and cash equivalents at 1 September 2016		257,507	581,919
<b>Cash and cash equivalents at 31 August 2017</b>	23	<u>355,828</u>	<u>257,507</u>

The notes on pages 30 to 50 form part of these financial statements

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF 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.

The Bourne Academy is registered as a company limited by guarantee at Companies House (No. 07148158) and is an exempt Charity. The address of the registered office is Hadow Road, Bournemouth, BH10 5HS.

**Basis of preparation**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention and in accordance with 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 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bourne Academy meets the definition of a public benefit entity under FRS 102.

**Going concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

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

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

The 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.



**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES** *(continued)*

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 as a balance in the restricted fixed asset fund.

- **Donations** – donations are recognised on a receivable basis (where there are no performance-related conditions) where receipt is probable and the amount can be reliably measured.
- **Other income** – other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

**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 to raise funds for its charitable purpose and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities** – these are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

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

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

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES** *(continued)*

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**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold buildings	- 50 years (2%) straight line
Leasehold improvements	- 10 years (10%) straight line
Computer equipment	- 3 years (33.3%) straight line
Fixtures, fittings and equipment	- 4 years (25%) straight line
Motor vehicles	- 5 years (20%) straight line

**Debtors**

Trade debtors and all other debtors (excluding prepayments) are recognised at their settlement amount after any discount offered. Prepayments are valued at the amount prepared net of any discounts.

**Cash at bank and in hand**

This includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Financial Instruments**

The Academy only has financial assets and liabilities of a kind that qualify as basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Taxation**

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Leased assets**

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

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES** *(continued)*

**Pension benefits**

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

**Teachers' Pension Scheme**

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 24, 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 contributions scheme for accounting purposes and the contributions recognised in the period to which they relate.

**Local Government Pension Scheme**

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 deficit are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, if it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES** *(continued)*

**Fund accounting**

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

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

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

**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 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 24, 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 2017. 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.

The annual depreciation charges for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See 12 carrying amount of the tangible assets and Note 1 for the useful lives for each class of asset.

**Agency arrangements**

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy 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.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

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

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2017 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 Academy has not exceeded these limits during the year ended 31 August 2017.

**3. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Capital grants	-	1,230	1,230	56,700
Other donations	2,295	19,909	22,204	5,681
	<u>2,295</u>	<u>21,139</u>	<u>23,434</u>	<u>62,381</u>

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

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA revenue grant</b>				
General Annual Grant - note 2	-	4,716,014	4,716,014	4,315,404
Start-up grants	-	27,148	27,148	35,435
Disadvantaged student funds	-	308,039	308,039	286,977
Devolved formula capital grant	-	18,366	18,366	16,887
Other ESFA / DfE grants	-	47,871	47,871	68,696
	<u>-</u>	<u>5,117,438</u>	<u>5,117,438</u>	<u>4,723,399</u>
<b>Other Government grants</b>				
Local authority - SENCO	-	96,661	96,661	39,601
Local authority – other grants	-	19,710	19,710	24,000
Other grants and payments	-	4,467	4,467	16,160
	<u>-</u>	<u>120,838</u>	<u>120,838</u>	<u>79,761</u>
	<u>-</u>	<u>5,238,276</u>	<u>5,238,276</u>	<u>4,803,160</u>

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**5. OTHER TRADING ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Hire of facilities	66,150	-	66,150	45,107
Uniform sales	336	-	336	4,514
Staff services & tuition	13,315	-	13,315	12,431
Yearbook and leavers hoodie sales	-	1,919	1,919	959
Funds raised by departments	17,517	4,066	21,583	21,234
Sales of good & services	4,452	-	4,452	1,982
	<u>101,770</u>	<u>5,985</u>	<u>107,755</u>	<u>86,227</u>

**6. INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Short term deposits	<u>52</u>	<u>-</u>	<u>52</u>	<u>371</u>

**7. EXPENDITURE**

	Staff Costs £	Non Pay Premises £	Expenditure Other £	Total 2017 £	Total 2016 £
Expenditure on raising funds	55,946	17,033	4,787	77,766	37,422
Academy's educational operations:					
Direct costs	3,670,995	259,478	585,049	4,515,522	4,340,173
Allocated Support costs	824,597	266,522	182,329	1,273,448	1,272,662
	<u>4,551,538</u>	<u>543,033</u>	<u>772,165</u>	<u>5,866,736</u>	<u>5,650,257</u>

**Net income/(expenditure) for the year include:**

	2017 £	2016 £
Operating lease rentals	55,	31,
Depreciation	280,321	476,
Fees payable to auditor for:		
- Audit	10,	10
- Other services	<u>2</u>	<u>10</u>

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**8. CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS**

	2017	2016	
	£	£	
Direct costs	4,515,522	4,340,173	
Support costs	1,273,448	1,272,662	
	<u>5,788,970</u>	<u>5,612,835</u>	
<b>Analysis of support costs</b>	<b>Educational Operations</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£	£	£
Support staff costs	824,597	824,597	613,349
Depreciation	14,147	14,147	28,726
Premises costs	252,375	252,375	250,811
Other support costs	161,392	161,392	349,978
Governance costs	20,937	20,937	29,798
	<u>1,273,448</u>	<u>1,273,448</u>	<u>1,272,662</u>

Governance costs total £20,937 (2016 - £29,798) and include; legal and professional fees of £5,522 (2016 - £15,352), auditors remuneration of £13,020 (2016 - £12,215), support costs of £2,327 (2016 - £2,101) and Governors’ training and reimbursed expenses of £43 (2016 - £130).

**9. STAFF COSTS**

Staff costs during the period were:

	2017	2016
	£	£
Wages and salaries	3,392,196	3,151,235
Social security costs	331,562	266,243
Operating costs of defined benefit pension schemes	528,942	488,046
Apprenticeship levy	957	-
	<u>4,253,657</u>	<u>3,905,524</u>
Supply staff costs	61,438	81,017
Staff restructuring costs	14,400	5,040
	<u>4,329,495</u>	<u>3,991,581</u>

Included in staff costs are non-statutory/non-contractual severance payments totalling £14,400 (2016 - £5,040). Individually there were two payments of £8,000 and £6,400 (2016 – one individual payment of £5,040).

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**9. STAFF COSTS** *(continued)*

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

	2017 No.	2016 No.
Teachers	87	77
Administration and support	40	43
Management	4	4
	131	124

**Higher paid staff**

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

	2017 No.	2016 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,000 - £90,000	1	-
£90,000 - £100,000	1	1
	1	1

**Key management personnel**

The key management personnel of the Academy comprise the Governors and the Executive Group 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 was £393,958 (2016 - £376,745).

**10. RELATED PARTY TRANSACTIONS; GOVERNORS REMUNERATION & EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

M Avoth (Principal and Governor)

Remuneration £95,000 - £100,000 (2016; £90,000 - £95,000)

Employer's pension contribution £15,000 - £20,000 (2016; £15,000 - £20,000)

P Thompson (Staff Governor)

Remuneration £35,000 - £40,000 (2016; £30,000 - £35,000)

Employer's pension contribution £5,000 - £10,000 (2016; £5,000 - £10,000)

During the year travel and subsistence expenses were reimbursed to 1 Governor, in their role as Governor, totalling £43 (2016 - £130 was reimbursed to 1 Governor).



**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**11. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August is no longer separately identifiable within the total insurance cost.

**12. TANGIBLE FIXED ASSETS**

	<b>Long Leasehold Land, Buildings &amp; Improvements £</b>	<b>Fixtures, Fittings &amp; Equipment £</b>	<b>Computer Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2016	10,284,105	164,406	1,079,483	34,083	11,562,077
Additions	15,640	1,230	4,956	-	21,826
	<u>10,299,745</u>	<u>165,636</u>	<u>1,084,439</u>	<u>34,083</u>	<u>11,583,903</u>
<b>At 31 August 2017</b>					
<b>Depreciation</b>					
At 1 September 2016	612,548	121,645	1,023,482	27,279	1,784,954
Charge for year	214,550	23,195	39,761	2,815	280,321
	<u>827,098</u>	<u>144,840</u>	<u>1,063,243</u>	<u>30,094</u>	<u>2,065,275</u>
<b>At 31 August 2017</b>					
<b>Net book value</b>					
<b>At 31 August 2017</b>	<b><u>9,472,647</u></b>	<b><u>20,796</u></b>	<b><u>21,196</u></b>	<b><u>3,989</u></b>	<b><u>9,518,628</u></b>
At 31 August 2016	<u>9,671,557</u>	<u>42,761</u>	<u>56,001</u>	<u>6,804</u>	<u>9,777,123</u>

The Academy occupied the site of its predecessor school, which is owned by the Local Authority, under a short term Tenancy at Will agreement until 14 January 2016. On 15 January 2016 a new lease agreement was entered into with the Local Authority for a period of 125 years (note 19). The value of the long leasehold land was brought into the financial statements in 2013 at the value of the building programme which was undertaken between 2011 and 2013. Depreciation commenced on the Long Leasehold Buildings once the Academy had full use of the premises.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**13. DEBTORS**

	2017	2016
	£	£
Trade debtors	5,228	9,927
VAT recoverable	29,910	101,948
Other debtors	2,900	
Amounts owed from connected party	5,000	5,000
Prepayments and accrued income	213,452	151,103
	<u>256,490</u>	<u>267,978</u>

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

	2017	2016
	£	£
Trade creditors	135,971	130,853
Taxation, social security and pension liabilities	154,883	140,461
ESFA creditor: abatement of GAG	108,543	-
Other creditors	3,733	4,813
Accruals and deferred income	79,086	79,871
	<u>482,216</u>	<u>355,998</u>

**Deferred Income**

	2017	2016
	£	£
Deferred income at 1 September 2016	36,729	29,360
Resources deferred in the year	43,202	35,539
Amounts released from previous years	(31,221)	(28,170)
<b>Deferred income at 31 August 2017</b>	<u>48,710</u>	<u>36,729</u>

The value of deferred income included above relates to funds received in advance for educational trips and lettings occurring from 1 September 2017 and rates relief funding received from the ESFA, for the period 1 September 2017 to 31 March 2018.

**15. CREDITORS: Amounts falling after one year**

	2017	2016
	£	£
Trade creditors	<u>34,716</u>	<u>8,361</u>

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**16. RESTRICTED FUNDS**

**Funds for the year ended 31 August 2017**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2017 £
<b>Restricted General Funds</b>					
General Annual Grant	43,154	4,716,014	(4,813,432)	54,264	-
Start-up grant	15,845	27,148	(42,993)	-	-
Other ESFA/DfE grants	-	47,871	(47,871)	-	-
Disadvantaged students	-	308,039	(284,658)	(23,381)	-
LA – SENDCO	-	96,661	(96,661)	-	-
LA – other grants	-	19,710	(19,710)	-	-
Other Government grants	-	4,467	(4,467)	-	-
Other grants, sales & donations	-	25,894	(10,894)	-	15,000
Educational trips	-	90,278	(113,659)	23,381	-
Pension reserve	(2,772,000)	-	(81,000)	(265,000)	(3,118,000)
	<u>(2,713,001)</u>	<u>5,336,082</u>	<u>(5,515,345)</u>	<u>(210,736)</u>	<u>(3,103,000)</u>
	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2017 £
<b>Restricted Fixed Asset Funds</b>					
Minibus	6,804	-	(2,815)	-	3,989
ESFA – General Annual Grant	48,578	-	(22,684)	-	25,894
ESFA – capital grant	72,901	18,366	(17,395)	-	73,872
Cycle helmet lockers	3,771	-	(1,238)	-	2,533
MUGA pitch	87,893	-	(8,928)	-	78,965
LA – ICT capital grant	18,014	-	(18,014)	-	-
LA – Land & Buildings	9,501,589	-	(202,161)	-	9,299,428
LA – capital grant	65,118	-	(6,907)	-	58,211
Other small assets	-	1,230	(179)	-	1,051
	<u>9,804,668</u>	<u>19,596</u>	<u>(280,321)</u>	<u>-</u>	<u>9,543,943</u>
<b>Total Restricted Funds</b>	<u>7,091,667</u>	<u>5,355,678</u>	<u>(5,795,666)</u>	<u>(210,736)</u>	<u>6,440,943</u>

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**16. RESTRICTED FUNDS** *(continued)*

**Funds for the year ended 31 August 2016**

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2016 £
<b>Restricted General Funds</b>					
General Annual Grant	80,293	4,315,404	(4,297,506)	(55,037)	43,154
Start-up grant	223,477	35,435	(243,067)	-	15,845
Other ESFA/DfE grants	-	68,696	(68,696)	-	-
Disadvantaged students	-	286,977	(279,651)	(7,326)	-
LA – SENDCO	-	39,601	(39,601)	-	-
LA – other grants	-	24,000	(24,000)	-	-
Other Government grants	-	16,160	(16,160)	-	-
Other grants, sales & donations	190	11,093	(11,042)	(241)	-
Educational trips	262	57,349	(87,937)	30,326	-
Pension reserve	(1,353,000)	-	(69,000)	(1,350,000)	(2,772,000)
	<u>(1,048,778)</u>	<u>4,854,715</u>	<u>(5,136,660)</u>	<u>(1,382,278)</u>	<u>(2,713,001)</u>
	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2016 £
<b>Restricted Fixed Asset Funds</b>					
Minibus	9,624	-	(2,820)	-	6,804
ESFA – General Annual Grant	86,905	-	(47,027)	8,700	48,578
ESFA – capital grant	69,663	16,887	(13,649)	-	72,901
Cycle helmet lockers	3,756	1,000	(985)	-	3,771
MUGA pitch	10,000	55,700	(1,385)	23,578	87,893
LA – ICT capital grant	164,894	-	(200,502)	53,622	18,014
LA – Land & Buildings	9,703,750	-	(202,161)	-	9,501,589
LA – capital grant	72,764	-	(7,646)	-	65,118
	<u>10,121,356</u>	<u>73,587</u>	<u>(476,175)</u>	<u>85,900</u>	<u>9,804,668</u>
<b>Total Restricted Funds</b>	<u>9,072,578</u>	<u>4,928,302</u>	<u>(5,612,835)</u>	<u>(1,296,378)</u>	<u>7,091,667</u>

**General Annual Grant** – this fund represents the Government funding, through the ESFA, for the provision of education by the Academy. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.

**Start-up grant** – this represents Government funding, through the ESFA, to assist in the opening and set up of the Academy in its first years of operation.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**16. RESTRICTED FUNDS** *(continued)*

**Other ESFA/DfE grants** – this fund represents Government funding received, through the ESFA, for specific purposes claimed for by the Academy. All funds received have been spent in accordance with their purposes.

**Disadvantaged students** – this fund represents Government funding received through the ESFA to provide additional support to students who have qualified for Free School Meals at any point in the last 6 years in order to raise their attainment. Expenditure this year has been spent in a variety of areas including; educational materials, one-to-one tuition, literacy support, breakfast club, mentoring and providing financial assistance for these students to attend educational trips (the transfer out of the fund).

**LA – SENDCO fund** – this represents top-up funding received from the Local Authority to assist in providing teaching assistants for students with special educational needs and are covered by statements or Educational Health Care Plans.

**LA – other grants** – this represents Looked After Children and pupil placement funding, for students placed with the Academy by the Local Authority. Funds have been spent providing resources for these students.

**Other Government grants** – this represents funding from Government agencies, other than the ESFA, Department of Education and the Local Authority. Funds received this year relate to grants from the Teach 1<sup>st</sup> agency to support the Academy in the costs of employing new graduates as teachers through the Teach 1<sup>st</sup> scheme.

**Other grants, sales and donations** – this represents funds received to assist with a range of other activities. This year funding has been received from a variety of sources, including a grant from Wave 105 to support the activities carried out with Young Carers (in both years) and two grants (from The Valentine Trust and The Alice Ellen Cooper-Dean Foundation) to support student well-being. Funds have been spent in accordance with their purpose. The balance on the fund carried forward relates to grants for student well-being to be spent in the 2017/18 academic year.

**Educational trips** - this fund represents monies raised, through parents, students and outside sources, to cover the cost of running various day and residential trips for the students. Transfers into the fund relate to Disadvantaged Student funding used to support these students to go on educational trips.

**Pension reserve** - this represents the deficit on the Local Government Pension Scheme. The costs/movements relating to the fund for the year have been taken from the ESFA General Annual Grant. This has been transferred into the pension reserve fund.

**Restricted fixed asset fund** – this represents funds received from organisations for capital purposes. Funds received during the year related to general capital funding and donations for acquiring assets. The costs within this fund are the depreciation costs of the assets included within the fund. Transfers into this fund relate to the value of fixed assets acquired using funding from other funds.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**17. UNRESTRICTED FUNDS**

	<b>Balance at 1 September 2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains, Losses &amp; Transfers</b>	<b>Balance at 31 August 2017</b>
	£	£	£	£	£
General fund	74,582	105,823	(71,070)	(54,264)	55,071

	<b>Balance at 1 September 2015</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains, Losses &amp; Transfers</b>	<b>Balance at 31 August 2016</b>
	£	£	£	£	£
General fund	81,959	83,667	(37,422)	(53,622)	74,582

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

Fund balances at 31 August 2017 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Restricted Fixed Assets Fund</b>	<b>Total 2017</b>
	£	£	£	£
Tangible fixed assets	-	-	9,518,628	9,518,628
Current assets	55,071	531,932	25,315	612,318
Current liabilities	-	(482,216)	-	(482,216)
Non-current liabilities	-	(34,716)	-	(34,716)
Pension scheme liability	-	(3,118,000)	-	(3,118,000)
	<u>55,071</u>	<u>(3,103,000)</u>	<u>9,543,943</u>	<u>6,496,014</u>

Fund balances at 31 August 2016 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Restricted Fixed Assets Fund</b>	<b>Total 2016</b>
	£	£	£	£
Tangible fixed assets	-	-	9,777,123	9,777,123
Current assets	74,582	423,358	27,545	525,485
Current liabilities	-	(355,998)	-	(355,998)
Non-current liabilities	-	(8,361)	-	(8,361)
Pension scheme liability	-	(2,772,000)	-	(2,772,000)
	<u>74,582</u>	<u>(2,713,001)</u>	<u>9,804,668</u>	<u>7,166,249</u>

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**19. LEASE COMMITMENTS**

The Academy has entered into a lease from 15 January 2016 to occupy the premises of the predecessor school, which are owned by Bournemouth Borough Council. The lease is for peppercorn rent and for a length of 125 years.

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts due within one year	53,528	2,600
Amounts due between one and five years	61,114	131,990
	<u>114,642</u>	<u>134,590</u>

**20. MEMBERS' LIABILITIES**

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.

**21. CAPITAL COMMITMENTS**

There were no capital commitments in either year.

**22. NOTES TO THE CASH FLOW STATEMENTS****Reconciliation of net expenditure to net cash (outflow) from operating activities**

	2017	2016
	£	£
Net (expenditure) (as per the Statement of Financial Activities)	(405,235)	(638,288)
Depreciation	280,321	476,175
Defined benefit pension scheme cost less contributions payable	223,000	103,000
Defined benefit pension scheme finance cost	(142,000)	(34,000)
Capital grants from ESFA and other sources	(19,596)	(73,587)
Interest receivable	(52)	(371)
Decrease/(Increase) in debtors	11,488	(81,783)
Increase/(Decrease) in creditors	152,573	(22,639)
<b>Net cash provided by / (used in) in operating activities</b>	<u>100,499</u>	<u>(271,493)</u>

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**22. NOTES TO THE CASH FLOW STATEMENTS** *(continued)*

**Cash flows from investing activities**

Interest and rents from investments	52	371
Purchase of tangible fixed assets	(21,826)	(126,877)
Capital grants from ESFA	18,366	16,887
Capital funding received from other sources	1,230	56,700
<b>Net cash outflow from investing activities</b>	<b>(2,178)</b>	<b>(52,919)</b>

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

	2017	2016
	£	£
Cash in hand and at bank	355,828	257,507
<b>Total cash and cash equivalents</b>	<b>355,828</b>	<b>257,507</b>

**24. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £68,486 (2016 - £62,036) were payable to the schemes at 31 August 2017 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.



**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**24. PENSION COMMITMENTS** *(continued)*

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £334,064 (2016 - £310,481).

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

Under the definitions set out in Financial Reporting Standard 102, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contributions scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £258,000 (2016 - £238,000), of which employer's contributions totalled £190,000 (2016 - £174,000) and employees' contributions totalled £68,000 (2016 - £64,000). The agreed contribution rates for future years are 18.8% for employers and between 5.5% and 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.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**24. PENSION COMMITMENTS** *(continued)*

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	4.2%	3.8%
Rate of increase for pensions in payment / inflation	2.7%	2.3%
Discount rate for scheme liabilities	2.6%	2.2%
Inflation assumption (CPI)	2.7%	2.3%
Commutation of pensions to lump sums	50%	50%

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

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<b>Retiring today:</b>		
Males	23.9	22.9
Females	26.0	25.3
<b>Retiring in 20 years:</b>		
Males	26.2	25.2
Females	28.3	27.7

<b>Sensitivity Analysis</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate +0.1%	4,929	4,239
Discount rate -0.1%	5,203	4,464
Mortality assumption – 1 year increase	5,238	4,465
Mortality assumption – 1 year decrease	4,896	4,328
CPI rate +0.1%	5,184	4,449
CPI rate -0.1%	4,947	4,254

The Academy's share of the assets were:

	<b>Fair value at 31 August 2017</b>	<b>Fair value at 31 August 2016</b>
	<b>£'000</b>	<b>£'000</b>
Equities	1,073	910
Gilts	259	173
Alternative assets	85	74
Property	171	162
Cash	52	17
Other bonds	220	201
Infrastructure	86	40
Hedge fund	-	1
<b>Total market value of assets</b>	<b>1,946</b>	<b>1,578</b>

The actual return on scheme assets was £239,000 (2016 - £139,000).

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**24. PENSION COMMITMENTS** *(continued)*

**Amounts recognised in the Statement of Financial Activities**

	<b>Fair value at 31 Aug 2017 £'000</b>	Fair value at 31 Aug 2016 £'000
Current service cost (net of employee contributions)	(413)	(277)
Net interest cost	(59)	(50)
Administration expenses	1	1
<b>Total operating charge</b>	<b>(471)</b>	<b>(328)</b>

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

	<b>2017 £'000</b>	2016 £'000
At 1 September	4,350	2,601
Current service cost	413	277
Interest cost	96	104
Estimated benefits paid net of transfers in	(53)	(46)
Employee contributions	68	64
Actuarial (gain)/loss	190	1,350
<b>At 31 August</b>	<b>5,064</b>	<b>4,350</b>

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

	<b>2017 £'000</b>	2016 £'000
At 1 September	1,578	1,248
Interest income	37	54
Return on plan assets (excluding net interest on the net defined pension liability)	202	85
Other actuarial gains/(losses)	(75)	-
Employer contributions	190	174
Employee contributions	68	64
Estimated benefits paid	(53)	(46)
Administration expenses	(1)	(1)
<b>At 31 August</b>	<b>1,946</b>	<b>1,578</b>

The estimated value of employer contributions for the year ended 31 August 2018 is £198,000.

**THE BOURNE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy has an interest. All transactions involving such organisations are conducted in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Mrs P Knott, wife of Richard Knott (Chair of Governors), assessed students identified by the Academy's SENDCo for access arrangements. The total value of services purchased by the Academy from Mrs P Knott was £4,160 (2016 - £nil) during the year. There were no amounts outstanding at 31 August 2017 (2016 - £nil). The Academy purchased the services after obtaining quotes from other suppliers, in accordance with the Academy's procurement policies.

Included within other debtors is a balance of £5,000 (2016 - £5,000) due from The Bourne Foundation, a connected charity. There have been no transactions with The Bourne Foundation during the year.

**26. AGENCY ARRANGEMENTS**

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2017 the Academy received £13,215 (2016 - £10,212) and disbursed £15,307 (2016 - £10,468) from the fund. An amount of £1,502 (2016 - £3,594) is included in Other Creditors relating to the undistributed funds that are repayable to the ESFA.