COMPANY REGISTRATION NUMBER:
07148158 (ENGLAND AND WALES)

THE BOURNE ACADEMY LIMITED

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

THE BOURNE ACADEMY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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THE BOURNE ACADEMY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Richard Knott Ben Vessey Tony Cottam
The Board of Governors *(as at date of signing – see page 3 for full details)*	Joanna Binstead Eleonore Byde Sue Churchill Caroline Foster Richard Knott John Lever Nigel Maile David Neill Adrian Smith Ashley St John Jacqueline Steel Andre Van Heerden Ben Vessey Neil Watkins
Executive group	Principal – Jacqueline Steel Vice Principal – Carol Harrison Assistant Vice Principal – Ashley St John Business Director – Caroline Gobell
Principal & Registered Office	Hadow Road Bournemouth Dorset, BH10 5HS
Company Registration Number	07148158 (England & Wales)
Auditor	Crowe Clark Whitehill LLP Statutory Auditor Carrick House Lypiatt Road Cheltenham GL50 2QL
Bankers	Barclays Corporate Wytham Court 11 West Way Oxford, OX2 0JB
Solicitors	Blake Morgan LLP (previously Blake Lapthorn) New Kings Road Tollgate Chandlers Ford Eastleigh Hampshire, SO53 3LG

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2014

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 2014. 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 pupil capacity of 780 students in years 7-11 and 150 for years 12 and 13. On the census day of 2 October 2014 there were 680 students on roll in years 7-11 and 65 on roll in years 12 and 13.

The financial statements have been prepared in accordance with the accounting policies on pages 26 to 29 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005), the Academies Financial Handbook, and the Academies: Accounts Direction 2013/14 issued by the EFA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution
The Bourne Academy Limited (known as The Bourne Academy) is a company limited by guarantee 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 Limited are the directors of the charitable company for the purposes of company law and the trustees for the purposes of charity legislation.

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 or auditor 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.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Governors

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.

The Bourne Academy currently has thirteen Governors consisting of: nine Sponsor Governors, one Local Authority Governor, one Staff Governor, one Parent Governor, one Community Representative Governor and the Principal, who is an ex-officio Governor. There remains a vacancy for the position of Education Partner 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 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;

Joanna Binstead (PG)	(appointed 22 October 2014)
Eleonore Byde (S) ^	
Sue Churchill (C)	
Caroline Foster (LA)	
Richard Knott (S) *	
John Lever (S)	
Nigel Maile (S)	
David Neill (S)	
Andrew Pagett (PG)	(resigned 15 September 2014)
Stephen Purdy (S)	(resigned 9 September 2013)
Adrian Smith (S)	
Jacqueline Steel (P)	
Ashley St John (SG)	
Andre Van Heerden (S)	(appointed 26 September 2013)
Ben Vessey (S)	(appointed 26 September 2013)
Neil Watkins (S)	
Richard Warburton (EP)	(resigned 3 December 2013)

*	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 LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Recruitment and Appointment of Governors
The appointment of Governors is decided as follows;
Sponsor Governors – appointed by the Principal Sponsor
Local Authority Governor – appointed by the Local Authority
Parent Governor – appointed via secret ballot of the parents of students at the Academy
Staff Governor – appointed via secret ballot of the staff of the Academy

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

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;

Jacqueline Steel	- Principal
Carol Harrison	- Vice Principal:
Ashley St John	- Assistant Vice Principal
Caroline Gobell	- Business Director
Tom Sears	- Business Director (1 April 2014 to 30 September 2014)

The full Governing Body consists of 13 Governors as detailed on page 1. 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, the Principal and the Business Director to provide scrutiny and ensure probity of all financial matters relevant to the Academy.

The Governing Body has established other committees with responsibility 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 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.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

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

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.

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 though our 6 priorities of:

- Raising aspirations of students, their parents/carers and the community, reducing absence, and ensuring that all 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, business 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 LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

OBJECTIVES AND ACTIVITIES *(continued)*

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
Reflective
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.

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 embraces 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.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

OBJECTIVES AND ACTIVITIES *(continued)*

- **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.

STRATEGIC REPORT

Achievements and Performance

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 6th form and an overall effectiveness grade of 'Good'. This is an improvement on the 2012 inspection, when the overall effectiveness grade was 'Requires Improvement'. 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 6th 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 6th form. These findings will be used to form the basis of the Development Plan for the Academy in coming years.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

STRATEGIC REPORT *(continued)*

Results

The Academy continued its excellent work on raising standards this year, against the national picture of a 6% fall, with 58% (2013 – 59%) of students achieving 5 or more grades at A* - C (including English and Maths) and 67.5% (2013 – 81%) of students achieving at least 5 grades A*-C. These results have put the Academy in the top 10% of schools nationally for the progress students have made.

English and Science GCSE results remained high with the percentage of students achieving a C+ grade being 87.6% in English (2013 – 81%) and 84.4% in 2 Sciences (2013 – 80%). The results for both subjects were above the national average for the second year. The results for other GCSE subjects were also strong with twelve subjects achieving results higher than the national average.

The Academy is conscious that there will always be room to improve on the achievements of our students and continue to apply a number of strategies to assist in maximising students' abilities. Focus over the next academic year will be on progress in mathematics (especially lower ability and progress at KS3), stretching higher ability students and 6th form expectations.

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 one third of students currently at the Academy are eligible for disadvantaged student funding.

For the 2013/14 academic year the Academy appointed a Pupil Premium Coordinator to ensure that the Academy's disadvantaged students funding is used to maximum effect. Focus was prioritised towards addressing the barriers to learning on an individual student level, and an entitlement plan, which highlighted each student's barrier to learning, was created. Using these, the Academy was able to utilize the funding effectively by;

- removing physical barriers to learning (such as lack of adequate equipment or transportation to/from school),
- improving long term attendance by providing incentives for good attendance,
- improving attitude to learning with behaviour reward schemes within key subjects,
- providing mentors (Bournemouth University students) to give the students positive role models and future aspirations,
- providing financial assistance to enable disadvantaged students to have access to the same resources and activities as their peers.

A Year 11 Success Evening took place in March 2014, which involved inviting 47 of the most underachieving disadvantaged students in year 11 and their parents to an evening in which each student was given personalized learning resources to help them with their upcoming revision. This one event saw the predicted attainment gap narrow from 20% to 12% over the next month.

These activities, along with a number of other strategies, have had a huge impact on the attainment of the disadvantaged students. There was an 11% improvement in the number of these students obtaining 5 or more A*-C grades including English and Maths this year, with 51% of disadvantaged students obtaining this level of success, compared to 40% in 2013.
The attainment gap between disadvantaged students and their peers has narrowed significantly to 10%. This is 17% better than the national average for 2013.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

STRATEGIC REPORT *(continued)*

6th Form
In September 2013 the Academy opened the doors of a new 6th form, which is housed in a dedicated 6th Form Centre. The Academy is providing 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 6th form, is that of a Bourne Ambassador, who is a member of the wider business community and 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 programme is a pioneering and effective project which pairs up each 6th former with a local business expert for two years of mentoring through the A-Level course.

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 continued improvement in student attendance throughout the academic year. Overall attendance at the Academy has increased to 95.48% for the 2013/14 academic year (93.92% in 2013/14). Local Authority data shows that the Academy has the lowest proportion of persistent absence students in the borough and that the Academy ranks third for overall attendance (behind the two Grammar schools).

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.

The Student Council for the year, led by the Head Boy and Head Girl and their deputies, 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 has continued with its links with its sponsor, Canford School, during the year. There have been many opportunities for students from the two schools to work together, both on the Canford School site as well as at the Academy, and it is expected that this provision will continue to expand over the coming years.

In April 2012 the Academy embarked on an extensive building programme to refurbish and expand the existing premises, which is being funded directly by the EFA (formerly Partnerships for Schools). This programme continued throughout the 2012/13 academic year and completed practical completion in December 2013. The Academy is immensely proud of the new buildings and the resources now available to offer its students.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going basis can be found in the Statement of Accounting Policies (page 26).

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

FINANCIAL REVIEW

Throughout the year the Academy continued to develop the accounting functions, building on the upgrades implemented at the end of the prior year. The financial checklist, detailing the procedures in place, continues to be reviewed and updated on an on-going basis to ensure that the financial policies and controls used are appropriate and consistently applied.

The Academy receives the majority of its funding from the Education Funding Agency (EFA). The income received from the EFA 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.

Total income for the year amounted to £4,789,131 (2013 – £14,376,213 which included the transferred in value of the Academy buildings of £10,094,043. Like on like income in 2013 amounted to £4,282,170). The total amount received from the EFA during the year was £4,585,605 (2013 - £4,059,254) which makes up 95.7% (2013 – 94.8%) of the year's total funding. The component parts of the EFA funding are as follows;

- £3,778,436 for the General Annual Grant (GAG); this incorporates 6th form funding for the first time,
- £489,048 for start-up grant,
- £279,193 in respect of pupil premium funding, incorporating Year 7 transition and summer school funding,
- £14,277 for capital purposes and
- £24,651 in respect of insurance top-up funding and rates relief.

The Academy also received funds totalling £203,526 (2013 - £229,739) from a number of other sources as follows;

- £57,302 from the local authority (£52,302 for special educational needs and £5,000 for other purposes including funding for managed pupil moves),
- £47,241 from parents and pupils for contributions towards school trips & activities,
- £40,574 raised through uniform and tuition sales, sale of staff services and hire of facilities,
- £8,400 from Teach 1st to support training for Teach 1st graduates,
- £10,700 from The Bourne Academy Parent Voice Team, £10,000 of which is towards a new minibus, and
- £39,309 of other sales, grants and receipts, including bank interest received and reimbursement towards damage in connection with the building programme.

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 also 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 £5,401,365 (2013 - £4,552,519) and is fully 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 infra-structure is in place to support this provision.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

FINANCIAL REVIEW *(continued)*

The largest item of expenditure for the Academy is the cost of its employees, who are made up of teaching, educational support staff and administration staff. Staffing costs for the year, including redundancies and supply cover costs, came to £3,624,687 (2013 - £3,216,244) which is 69.7% (2013 - 70.6%) of the total expenditure and 75.7% (2013 – 75.1%) of income received in the year.

£276,150 (2013 - £149,510) has been spent during the year on the upkeep and maintenance of the school premises. This increase is due to increases in utility and insurance costs associated with the larger site and an associated increase in general upkeep. The remainder of the expenditure was spent on areas such as training and development of staff, student welfare and examinations and IT. A full breakdown of the costs for the Academy can be seen in note 9 to the financial statements.

On its educational provision the Academy achieved a small surplus of £2,848 (2013 – a deficit of £107,467). This was in line with the budgeted surplus of £2,571 for the year. The Governors are pleased with the result as a deficit on educational provision was forecast earlier in the year, due to higher than expected electricity and printing costs. Savings have been made in other areas to combat the increased costs to ensure that the end result of the educational provision was in line with budget. Overall, the Academy achieved a net deficit for the year, prior to actuarial losses on the pension scheme, of £612,234. This incorporates the surplus on educational provision of £2,848, less the depreciation on capital projects of £490,082 and finance costs associated with the Local Government Pension Scheme of £125,000.

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 2014, and using the assumptions detailed in note 25 to the accounts, the deficit on the scheme was calculated to be £1,216,000; this has resulted in an actuarial loss on the scheme of £357,000 being recognised in the financial statements.

Overall, the Academy had a net decrease in funds of £969,234 (2013 – increase in funds of £9,798,694) and as at 31 August 2014 the Academy had funds totalling £10,107,922 (2013 - £11,077,156). Of this £10,057,343 (2013 - £11,044,224) is contained within the restricted funds, a breakdown of which can be seen in note 17 to the financial statements.

Reserves Policy and Financial Position

The Academy aims to have funds on reserve that enable us to meet our 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 2014 the Academy held total fund balances of £10,107,922. Of this the free reserves, which just incorporates the unrestricted funds, amounted to £50,579 (2013 - £32,932). Free reserves, including the carried forward funds in relation to the General Annual Grant, but excluding other restricted funds, amounted to £126,148 (2013 - £99,606). 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. They will consider strategies over the coming months to increase the level of these reserves.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

FINANCIAL REVIEW *(continued)*

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 mean that secondary school student numbers within Bournemouth are decreasing until 2014/15, before they then begin to climb significantly following the large numbers of children presently within local primary education.

The Academy continues to report a steady increase in pupil admissions which is expected to continue as its reputation and popularity within the local community increases.

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 the last 2 years has now been completed. This has increased the overall capacity of the Academy from 650 students to 1,050 (which includes a dedicated 6th form centre for up to 150 post 16 learners). Currently the Academy has approximately 750 learners on roll and over the coming years the Academy is looking to maximise the students on roll as the attainment of the overall Academy continues to improve.

The Academy opened a new 6th form in September 2013, which is housed in a dedicated 6th Form Centre. Over the next year the Academy will focus on the development of the new 6th form, which will include: strengthening the curriculum (with an emphasis on one of our specialist subjects of Engineering and Design), improving links with European higher education institutions (Saxion University of Applied Sciences in The Netherlands and VIA University College in Denmark) in order to provide the best possible all round learning experience for our students and marketing. The Academy is looking forward to obtaining its first group of A-Level results in August 2015.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 August 2014

PLANS FOR FUTURE PERIODS *(continued)*

From January 2015 the Academy will be under the leadership of a new Principal. Jackie Steel retires as the current principal at the end of December 2014 and will be succeeded by Mark Avoth. The Governors recognise the immense contribution that Jackie Steel has made in the transformation of the Academy since its opening and, although sad to see her depart, are looking forward to the commencement of a new and exciting phase in the Academy's history that Mark Avoth's appointment will bring.

The Academy is in the process of setting up a charitable foundation, The Bourne Foundation, which will work alongside the Academy by attaining and granting funds to the Academy in order to advance the education of the students at the Academy.

AUDITOR

Insofar as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 2 December 2014 and signed on their behalf by:

RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY LIMITED

GOVERNANCE STATEMENT

YEAR ENDED 31 August 2014

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, 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. The Principal is 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;

Governor	Meetings attended	Out of a possible
Eleonore Byde	4	4
Sue Churchill	3	4
Caroline Foster	4	4
Richard Knott *(chair)*	4	4
John Lever	3	4
Nigel Maile	4	4
David Neill	2	4
Andrew Pagett	1	4
Adrian Smith	3	4
Jacqueline Steel	4	4
Ashley St John	4	4
Andre Van Heerden	4	4
Ben Vessey	4	4
Neil Watkins	4	4
Richard Warburton	-	1

The Governing Body intends to carry out a self-evaluation of governance during the next academic year.

The Finance 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 auditors' reports and recommendations. The Finance 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 Committee are generally held 4-5 weeks prior to a full Governors' Meeting.

THE BOURNE ACADEMY LIMITED

GOVERNANCE STATEMENT

YEAR ENDED 31 August 2014

Attendance at the meetings during the year was as follows:

Governor	Meetings attended	Out of a possible
Richard Knott	3	3
Nigel Maile *(chair)*	3	3
Adrian Smith	2	3
Jacqueline Steel	3	3

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 for the year ended 31 August 2014 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 year ending 31 August 2014 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 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 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;
- segregation of duties;
- identification and management of risks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis the internal auditor reports to the board of Governors, through the Finance Committee, on the operation of the systems of control and on the discharge of the board of Governors financial responsibilities.

THE BOURNE ACADEMY LIMITED

GOVERNANCE STATEMENT

YEAR ENDED 31 August 2014

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 their review of the system of internal control by the Finance 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 2 December 2014 and signed on its behalf by:

RICHARD KNOTT
Chair of Governors

JACQUELINE STEEL
Accounting Officer

THE BOURNE ACADEMY LIMITED

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 August 2014

As Accounting Officer of The Bourne Academy I have considered my responsibility to notify the Academy's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy'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.

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

JACQUELINE STEEL
Accounting Officer

2 DECEMBER 2014

THE BOURNE ACADEMY LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

YEAR ENDED 31 August 2014

The Governors (who act as trustees for charitable activities of The Bourne Academy Limited 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 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 EFA/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 20 December 2014 and signed on its behalf by:

Richard Knott

RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMNTS TO THE BOARD OF TRUSTEES OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 August 2014

We have audited the financial statements of The Bourne Academy Limited for the year ended 31 August 2014 which comprise the Statement of Financial Activities, incorporating the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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.

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the Directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

THE BOURNE ACADEMY LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMNTS TO THE BOARD OF TRUSTEES OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 August 2014

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Guy Biggin

Senior Statutory Auditor

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

Date 10 December 2014

THE BOURNE ACADEMY LIMITED

INDEPENDENT REPORTING ACCOUTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOURNE ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Bourne Academy Limited during the period 1 September 2013 to 31 August 2014 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 governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to The Bourne Academy Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Bourne Academy Limited's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Bourne Academy Limited's funding agreement with the Secretary of State of Education dated 24 February 2010 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

THE BOURNE ACADEMY LIMITED

INDEPENDENT REPORTING ACCOUTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOURNE ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

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

Date: 10 December 2014

THE BOURNE ACADEMY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses

YEAR ENDED 31 August 2014

	Note	Un-restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	619	5,524	10,000	16,143	10,099,720
Activities for generating funds	4	41,879	7,273	-	49,152	39,486
Investment income	5	2,617	-	-	2,617	2,793
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	6	-	4,637,030	14,277	4,651,307	4,141,565
Income from educational trips		-	47,241	-	47,241	86,487
Other income	7	22,419	252	-	22,671	6,162
TOTAL INCOMING RESOURCES		67,534	4,697,320	24,277	4,789,131	14,376,213
RESOURCES EXPENDED						
Charitable activities:						
Academy's educational operations	8/9	49,887	4,763,317	558,046	5,371,250	4,532,829
Governance costs	8/10	-	30,115	-	30,115	19,690
TOTAL RESOURCES EXPENDED		49,887	4,793,432	558,046	5,401,365	4,552,519
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		17,647	(96,112)	(533,769)	(612,234)	9,823,694
Gross transfers between funds		-	(67,337)	67,337	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		17,647	(163,449)	(466,432)	(612,234)	9,823,694
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	25	-	(357,000)	-	(357,000)	(25,000)
NET MOVEMENT IN FUNDS		17,647	(520,449)	(466,432)	(969,234)	9,798,694
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2013		32,932	(31,509)	11,075,733	11,077,156	1,278,462
FUNDS CARRIED FORWARD AT 31 August 2014	19	50,579	(551,958)	10,609,301	10,107,922	11,077,156

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

THE BOURNE ACADEMY

BALANCE SHEET

AS AT 31 August 2014

	Note	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Tangible Assets	14		**10,604,640**		10,865,652
CURRENT ASSETS					
Stock		**-**		17,131	
Debtors	15	**194,322**		344,277	
Cash at bank and in hand		**905,591**		1,157,047	
		1,099,913		1,518,455	
LIABILITIES					
Creditors: Amounts falling due within one year	16	**(380,631)**		(572,951)	
NET CURRENT ASSETS			**719,282**		945,504
Total assets less current liabilities			**11,323,922**		11,811,156
Pension scheme liability	25		**(1,216,000)**		(734,000)
TOTAL NET ASSETS			**10,107,922**		11,077,156
FUNDS					
Restricted funds					
Restricted general funds:	17				
Pension deficit reserve		**(1,216,000)**		(734,000)	
Restricted general funds		**664,042**		702,491	
			(551,958)		(31,509)
Restricted fixed asset funds	17		**10,609,301**		11,075,733
			10,057,343		11,044,224
Unrestricted funds					
General funds	18		**50,579**		32,932
TOTAL FUNDS			**10,107,922**		11,077,156

The financial statements on pages 23 to 46 were approved and authorised for issue by the Governors on 2 December 2014 and signed on their behalf by:

RICHARD KNOTT
Chair of Governors
Company Registration number: 07148158

The notes on pages 26 to 46 form part of these financial statements

THE BOURNE ACADEMY

CASH FLOW STATEMENT

YEAR ENDED 31 August 2014

	Note	2014 £	2013 £
Net cash flow from operating activites	23	**14,575**	98,593
Returns on investments and servicing of finance	23	**2,617**	2,793
Capital expenditure and financial investment	23	**(268,648)**	(790,748)
(Decrease) in cash in the year		**(251,456)**	(689,362)
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		**1,157,047**	1,846,409
Net funds at 31 August 2014	24	**905,591**	1,157,047

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

1. ACCOUNTING POLICIES

Format of the financial statements

The standard format for the financial statements as required by the Companies Act 2006 schedule 4 part 1 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and reflects the activities of the Academy.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts Direction 2013 to 2014 issued by the EFA, and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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. After making appropriate enquiries and reviewing all available information, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the date of approval of the financial statements. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Incoming resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

  The General Annual Grant, received from the EFA, is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

  Capital grants are recognised when receivable 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.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

1. ACCOUNTING POLICIES *(continued)*

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

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

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

Resources expended

Resources expended are recognised in the period in which a liability is incurred and include irrecoverable VAT. They are classified under headings that aggregate all costs relating to that activity. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds** – these are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities** – these are costs incurred on the Academy's educational operations.

- **Governance costs** – these include costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

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 the expected useful economic life 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 such assets is charged in the Statement of Financial Activities so to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

1. 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, other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

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

Stock

Stocks are valued at the lower of cost or net realisable 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 Taxes of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

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 and the assets are held separately from those of the Academy.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

1. ACCOUNTING POLICIES *(continued)*

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 benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contributions scheme and the contributions recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 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 2014.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

3. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Donations	619	15,524	16,143	5,677
Transfers from the Local Authority	-	-	-	10,094,043
	619	15,524	16,143	10,099,720

Transfers from the Local Authority relate to the value of the building programme carried out by the Local Authority on the Academy buildings. The value brought into the financial statements equates to the value of the building programme (see note 14).

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Hire of facilities	13,742	-	13,742	9,210
Uniform sales	26,832	-	26,832	17,422
Staff services	1,305	5,449	6,754	12,016
Year 11 prom ticket sales	-	1,824	1,824	621
Commission and book income	-	-	-	217
	41,879	7,273	49,152	39,486

5. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Short term deposits	2,617	-	2,617	2,793

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
DfE / EFA revenue grant				
General Annual Grant - note 2	-	**3,778,436**	**3,778,436**	3,333,715
Start-up grants	-	**489,048**	**489,048**	505,332
Pupil Premium *(incorp Transition and summer school funding)*	-	**279,193**	**279,193**	197,801
Devolved formula capital grant	-	**14,277**	**14,277**	13,113
Other grants	-	**24,651**	**24,651**	9,293
	-	**4,585,605**	**4,585,605**	4,059,254
Other Government grants				
Local authority - SENCO	-	**52,302**	**52,302**	63,617
Local authority – other grants	-	**5,000**	**5,000**	9,677
Other grants and payments	-	**8,400**	**8,400**	9,017
	-	**65,702**	**65,702**	82,311
	-	**4,651,307**	**4,651,307**	4,141,565

7. OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Reimbursement re building programme	**22,044**	-	**22,044**	5,283
Miscellaneous income	**375**	**252**	**627**	879
	22,419	**252**	**22,671**	6,162

8. RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure Premises	Other	Total 2014	Total 2013
	£	£	£	£	£
Academy's educational operations:					
Direct costs	**2,990,732**	**519,912**	**617,958**	**4,128,602**	3,431,435
Allocated support costs	**633,955**	**248,712**	**359,981**	**1,242,648**	1,101,394
	3,624,687	**768,624**	**977,939**	**5,371,250**	4,532,829
Governance costs (including allocated support costs)	-	-	**30,115**	**30,115**	19,690
	3,624,687	**768,624**	**1,008,054**	**5,401,365**	4,552,519

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

8. RESOURCES EXPENDED *(continued)*

Incoming / (Outgoing) resources for the year include:

	2014	2013
	£	£
Operating leases - Other	**20,627**	6,995

9. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2014	2013
	£	£
Direct costs		
Teaching and educational support staff costs	**2,990,732**	2,682,807
Depreciation	**519,912**	106,169
Educational books and equipment	**174,055**	157,330
Examination fees	**62,917**	84,689
Staff development and training	**76,650**	41,981
School uniforms	**41,449**	22,079
Information technology	**64,771**	48,535
External education provision	**73,043**	104,038
Educational trips	**67,401**	113,316
Student welfare and counselling	**40,777**	38,479
Work related learning	**16,514**	32,012
Other	**381**	-
	4,128,602	3,431,435
Allocated support costs		
Staff costs	**633,955**	578,171
Depreciation & loss on disposal	**24,025**	48,224
Maintenance of premises	**97,616**	(27,774)
Cleaning	**61,809**	51,874
Rates and utilities	**65,261**	87,388
Insurance	**51,464**	38,022
Marketing	**18,735**	30,806
Catering	**91,701**	78,927
Recruitment & DBS	**25,746**	-
Office and postage	**109,284**	57,319
Subscriptions and licences	**12,288**	9,209
Consultancy and human resources	**19,324**	127,809
Finance charges re LGPS	**31,000**	21,000
Bank interest and charges	**440**	419
	1,242,648	1,101,394

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

10. GOVERNANCE COSTS

	2014	2013
	£	£
Legal and professional fees	**11,656**	6,021
Auditor's remuneration		
- Audit of financial statements	**10,030**	9,730
- Internal audit costs	**2,550**	-
- Other audit costs	**1,700**	1,300
Support costs	**2,230**	1,170
Governors' training and meeting costs	**1,780**	1,242
Governors' reimbursed expenses	**169**	227
	30,115	19,690

11. STAFF COSTS

Staff costs during the period were:

	2014	2013
	£	£
Wages and salaries	**2,833,382**	2,463,537
Social security costs	**213,948**	194,713
Pension costs	**495,093**	406,368
	3,542,423	3,064,618
Supply teacher costs	**78,604**	100,126
Staff restructuring costs	**3,660**	51,500
	3,624,687	3,216,244

Included in staff restricting costs are non-statutory/non-contractual severance payments totalling £3,660 (2013 - £51,500).

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2014	2013
	No.	No.
Charitable Activities		
Teachers	**64**	56
Administration and support	**33**	35
Management	**4**	4
	101	95

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

11. STAFF COSTS *(continued)*

The number of higher paid employees whose emoluments exceeded £60,000 was:

	2014	2013
	No.	No.
£60,001 - £70,000	**1**	1
£70,001 - £80,000	**1**	1
£100,001 - £110,000	**-**	1
£110,001 - £120,000	**1**	-

The above employees participated in the Teachers' Pension Scheme. During the year pension contributions for these three staff amounted to £35,956 (2013 – three staff amounted to £34,022).

12. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and Staff Governor only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of these Governors' remuneration was as follows:

J Steel (Principal):	£110,000 - £115,000 (2013 - £105,000 - £110,000)
A St John (Staff Governor):	£60,000 - £65,000 (2013 - £60,000 - £65,000)

During the year travel and subsistence expenses were reimbursed to 1 Governor totalling £169 (2013 - £227 was reimbursed to 1 Governor).

During the year no Governors had any interest in any of the Academy's transactions.

13. 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 2014 was £1,412 (2013 - £1,412) and is included in the total insurance cost.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

14. TANGIBLE FIXED ASSETS

	Long Leasehold Land & Buildings	Fixtures, Fittings & Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2013	**10,157,575**	**90,374**	**828,028**	**20,000**	**11,095,977**
Additions	**14,028**	**54,646**	**200,168**	**14,083**	**282,925**
Transfers in		-	-	-	-
Disposals	-	**(11,154)**	-	-	**(11,154)**
At 31 August 2014	**10,171,603**	**133,866**	**1,028,196**	**34,083**	**11,367,748**
Depreciation					
At 1 September 2013	-	**55,159**	**163,169**	**11,997**	**230,325**
Charge for year	**203,432**	**29,025**	**301,860**	**5,646**	**539,963**
Eliminated on disposal	-	**(7,180)**	-	-	**(7,180)**
At 31 August 2014	**203,432**	**77,004**	**465,029**	**17,643**	**763,108**
Net book value					
At 31 August 2014	**9,968,171**	**56,862**	**563,167**	**16,440**	**10,604,640**
At 31 August 2013	**10,157,575**	35,215	664,859	8,003	10,865,652

The Academy occupies the site of its predecessor school, which is owned by the Local Authority, under a short term Tenancy at Will agreement (see note 21). In 2011/12 an extensive building programme to revamp and extend the Academy's buildings commenced and was completed in December 2013. Once the 12 month defect period is completed the long lease between the Academy and the Local Authority will be signed, expected December 2014. The Academy took use of the new buildings at the end of the 2012/13 academic year and as such the value of the building programme has been brought into the financial statements and classified as Long Leasehold Land and Buildings in anticipation of the lease being signed. Depreciation commenced on the Long Leasehold Buildings once the Academy had full use of the premises.

15. DEBTORS

	2014	2013
	£	£
Trade debtors	**12,341**	5,283
VAT recoverable	**73,859**	135,568
Prepayments and accrued income	**108,122**	203,426
	194,322	344,277

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

16. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	**165,849**	414,685
Taxation, social security and pension liabilities	**119,072**	57,076
EFA accrual: abatement of GAG	**37,492**	-
Other creditors	**10,675**	2,526
Accruals and deferred income	**47,543**	98,664
	380,631	572,951

Deferred Income

	2014
	£
Deferred income at 1 September 2013	**4,403**
Resources deferred in the year	**23,660**
Amounts released from previous years	**(4,403)**
Deferred income at 31 August 2014	**23,660**

The value of deferred income included above relates to educational trips which are occurring in future periods, for which monies have already been received, and rates relief funding, funding received from the EFA, for the period 1 September 2014 to 31 March 2015.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

17. RESTRICTED FUNDS

	Balance at 1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2014 £
Restricted General Funds					
General Annual Grant	66,674	3,778,436	(3,734,954)	(34,587)	75,569
Start-up grant	624,978	489,048	(530,436)	-	583,590
Other EFA grants	-	24,651	(24,651)	-	-
Pupil Premium	-	279,193	(234,439)	(44,754)	-
LA – SENDCO	-	52,302	(52,302)	-	-
LA – other grants	-	5,000	(5,000)	-	-
Other Government grants	-	8,400	(8,400)	-	-
Other grants, sales & donations	5,000	13,049	(10,850)	(5,000)	2,199
Educational trips	5,839	47,241	(67,400)	17,004	2,684
Pension reserve	(734,000)	-	(125,000)	(357,000)	(1,216,000)
	(31,509)	4,697,320	(4,793,432)	(424,337)	(551,958)

	Balance at 1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2014 £
Restricted Fixed Asset Funds					
Minibus	-	10,000	(1,643)	4,083	12,440
EFA – general annual grant	70,448	-	(39,394)	49,226	80,280
EFA – capital grant	40,284	14,277	-	-	54,561
Assets transferred from predecessor school	10,503	-	(6,503)	-	4,000
LA – ICT capital grant	759,118	-	(287,419)	-	471,699
LA – Land & Buildings	10,094,043	-	(202,160)	14,028	9,905,911
LA – capital grant	101,337	-	(20,927)	-	80,410
	11,075,733	24,277	(558,046)	67,337	10,609,301
Total Restricted Funds	11,044,224	4,721,597	(5,351,478)	(357,000)	10,057,343

General Annual Grant – this fund represents the Government funding, through the EFA, 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 2014. Note 2 disclosed whether the limit was exceeded.

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

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

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

17. RESTRICTED FUNDS *(continued)*

Pupil Premium – this fund represents Government funding received through the EFA, and other Government Bodies, 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 and funding to assist Year 6 students in their transition to Year 7 and secondary school. Expenditure this year has been spent in a variety of areas including; 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). A summer school for students coming into Year 7 and support for those entering Year 7 at below national average attainment levels has also been provided this year.

LA – SENDCO fund – this represents top-up funding received from the Local Authority to assist in providing teaching assistants for statemented students with special educational needs.

LA – other grants – this represents 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 EFA and the LA. Funds received this year relate to grants from the Teach 1st agency to support the Academy in the costs of employing new graduates as teachers through the Teach 1st scheme.

Other grants and donations – this represents funds received to assist with other activities. This year funding has been received from a variety of sources, including funds to reimburse the Academy for damage to the new building (caused by the contractors post build completion), this fund remains unspent at the year end. The transfer out of the fund represents funds received in the prior year for the purchase of a new minibus. This has been transferred to the restricted asset fund on the purchase of a new minibus.

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. The funds carried forward relate to funds received during the year to be spent on future 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 EFA 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.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

18. UNRESTRICTED FUNDS

	Balance at 1 September 2013	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2014
	£	£	£	£	£
General fund	32,932	67,534	(49,887)	-	50,579

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets Fund	Total 2014
	£	£	£	£
Tangible fixed assets	-	-	10,604,640	10,604,640
Current assets	50,579	1,044,673	4,661	1,099,913
Current liabilities	-	(380,631)	-	(380,631)
Pension scheme liability	-	(1,216,000)	-	(1,216,000)
	50,579	(551,958)	10,609,301	10,107,922

20. MEMBERS' LIABILITIES

Every member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the Academy's debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributories amongst themselves.

21. LEASE COMMITMENTS

The Academy has entered into a licence to occupy the premises of the predecessor school, which are owned by Bournemouth Borough Council. The agreement is currently in a format of a Tenancy at Will for a peppercorn rent and will be altered to a long term lease once the planned building programme and 12 month defect period is completed. The building programme was completed in December 2013 with the lease expected to be signed in December 2014.

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows;

	2014		2013	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Expiring within one year	-	2,600	-	-
Expiring within two to five years	-	18,027	-	18,027

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

22. CAPITAL COMMITMENTS

	2014	2013
	£	£
Contracted for, but not provided in the financial statements	-	110,000

23. NOTES TO THE CASH FLOW STATEMENTS

Reconciliation of net income to net cash inflow from operating activities

	2014	2013
	£	£
Net (expenditure)/ income	**(612,234)**	9,823,694
Depreciation	**539,963**	148,365
Loss on disposal of fixed assets	**3,974**	6,028
Assets transferred from Local Authority	**-**	(10,094,043)
Non-cash items in relation to LGPS	**125,000**	82,000
Capital grants from EFA and other sources	**(14,277)**	(13,113)
Interest receivable	**(2,617)**	(2,793)
Decrease / (increase) in stock	**17,131**	(10,508)
Decrease / (increase) in debtors	**149,955**	(44,870)
(Decrease) / increase in creditors	**(192,320)**	203,833
Net cash inflow from operating activities	**14,575**	98,593

Returns on investment and servicing of finance

Interest receivable on short term deposits	**2,617**	2,793

Capital expenditure and financial investment

Purchase of tangible fixed assets	**(282,925)**	(803,861)
Capital grants from EFA	**14,277**	13,113
Net cash outflow from capital expenditure & financial investment	**(268,648)**	(790,748)

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

24. ANALYSIS OF CHANGE IN NET FUNDS

	At 1 September 2013	Cash flows	At 31 August 2014
	£	£	£
Cash at bank and in hand	1,157,047	(251,456)	905,591

25. 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 defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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. Teachers are able to opt out of the TPS.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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) Directors 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 for service to the effective date of £191,500 million. And notional assets of £176,000 million, giving a notional past service deficit of £14,900 million; and
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

25. PENSION COMMITMENTS *(continued)*

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documents can be found on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme with commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

25. PENSION COMMITMENTS *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. A scheme deficit of £390,000 was inherited from the predecessor school on 1 September 2010.

The total contribution made for the year ended 31 August 2014 was £180,000 (2013 - £180,000), of which employer's contributions totalled £135,000 (2013 - £135,000) and employees' contributions totalled £45,000 (2013 - £45,000). The agreed contribution rates for future years are 17.4% 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.

Principal Actuarial Assumptions	**At 31August 2014**	At 31August 2013
Rate of increase in salaries	**4.2%**	4.9%
Rate of increase for pensions in payment / inflation	**2.7%**	2.9%
Discount rate for scheme liabilities	**4.0%**	4.7%
Inflation assumption (CPI)	**2.7%**	2.9%
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:

	At 31August 2014	At 31 August 2013
Retiring today:		
Males	**22.7**	20.1
Females	**25.1**	24.1
Retiring in 20 years:		
Males	**24.9**	22.1
Females	**27.4**	26.0

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

25. PENSION COMMITMENTS *(continued)*

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

	Expected return at 31 August 2014	**Fair value at 31 August 2014 £'000**	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000
Equities	**6.9%**	**544**	6.5%	613
Gilts	**3.0%**	**200**	3.5%	198
Alternative assets	**6.9%**	**49**	n/a	-
Property	**5.9%**	**92**	4.5%	79
Cash	**2.9%**	**92**	0.5%	49
Target return portfolio	**6.9%**	**23**	2.5%	49
Total market value of assets		**1,000**		988
Present value of scheme liabilities - funded		**(2,216)**		(1,722)
(Deficit) in the scheme		**(1,216)**		(734)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. 1 September 2014 to 31 August 2015). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £132,000 (2013 - £109,000).

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

25. PENSION COMMITMENTS *(continued)*

Amounts recognised in the Statement of Financial Activities

	Fair value at 31 Aug 2014 £'000	Fair value at 31 Aug 2013 £'000
Current service cost (net of employee contributions)	**257**	196
Past service cost	**-**	-
Total operating charge	**257**	196

Analysis of pension finance income / (costs)

Expected return on scheme assets	**(57)**	(36)
Interest on pension liabilities	**88**	57
Pension finance income / (costs)	**31**	21

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £540,000 loss (2013 - £183,000).

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

	2014 £'000	2013 £'000
Opening balance	**1,722**	1,339
Current service cost	**257**	196
Interest cost	**88**	57
Estimated benefits paid net of transfers in	**(11)**	(12)
Employee contributions	**57**	45
Actuarial (gains) / losses	**103**	97
At 31 August	**2,216**	1,722

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

	2014 £'000	2013 £'000
Opening balance	**988**	712
Expected return on scheme assets	**57**	36
Actuarial gains / (losses)	**(254)**	72
Employer contributions	**163**	135
Employee contributions	**57**	45
Estimated benefits paid net of transfers in	**(11)**	(12)
At 31 August	**1,000**	988

The estimated value of employer contributions for the year ended 31 August 2015 is £161,000.

THE BOURNE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2014

25. PENSION COMMITMENTS *(continued)*

The experience adjustments since the Academy joined the scheme are as follows:

	2014	**2013**	2012	2011
	£'000	**£'000**	£'000	£'000
Present value of defined benefit obligations	**(2,216)**	**(1,722)**	(1,339)	(877)
Fair value of share of scheme assets	**1,000**	**988**	712	499
Deficit in the scheme	**(1,216)**	**(734)**	(627)	(378)
Experience adjustment on share of scheme assets	**(254)**	**72**	36	20
Experience adjustments on scheme liabilities	**125**	**-**	-	-

26. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account.