

Company Registration Number:  
07559187 (England and Wales)

**Bourne RM Academy Limited**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31 August 2012**



# **Bourne RM Academy Limited**

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# **Bourne RM Academy Limited**

## **Reference and Administrative Details Period ended 31 August 2012**

Trustees and Governors	Mr R Moore (Chair of Governors) Mr R Roberts (Chair of Finance Committee) Mrs C Wookey Mr P Bryan Mrs L Dray Mrs E Dyer Cllr C Farquharson Mr S Haigh Mr W Hawkins Mr T Holmes (resigned 23 September 2011) Mrs S Jackson Mrs A Jones Mr J Kirkman Mr D Pickering Mrs H Powell Mr L Reilly Mrs K Roche (appointed 4 May 2012) Mrs R Robertson Mr T Seston (resigned 27 March 2012) Cllr S Woolley
Senior Leadership Team	Mr L Reilly (Headteacher) Mrs L Conley (Deputy Headteacher) Mr J Hind (Assistant Headteacher) Mr T Martin (Assistant Headteacher) Mrs S Braines (Assistant Headteacher) Mrs R Le Caplain (Assistant Headteacher)
Registered Office	Bourne Academy Edinburgh Crescent Bourne Lincs PE10 9DT
Independent Auditor	Streets Audit LLP St Peters Chambers 2 Bath Street Grantham Lincs NG31 6EG
Bankers	Lloyds TSB Plc 8 North Street Bourne Lincs PE10 9ED
Solicitors	Duncan A Pickering 4 Southfields Bourne PE10 9TZ

# **Bourne RM Academy Limited**

## **Governors' Report**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012

## **Structure, Governance and Management**

### Constitution

The Academy Trust is a company limited by guarantee with no share capital and an exempt charity. The trust was incorporated on 10 March 2011, in the name of Bourne RM Academy Limited. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Bourne RM Academy Limited and are also the directors of the Charitable Company for the purposes of company law.

Details of the governors who served throughout the year are included in the Reference and Administrative Details on page 2.

### Members' Liability

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

### Principal Activities

The Trust is responsible for providing education to students aged 11-19. This includes establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

### Method of Recruitment and Appointment or Election of Governors

The articles of association require the members of the Charitable Company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The articles of association require that the Members of the Academy Trust shall comprise

- a) the signatories to the Memorandum
- b) one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- c) the Chairman of the Governors

The trustee board may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

No additional trustees were appointed nor made by the Secretary of State in 2011/12.

The trustees who were in office at 31 August 2012, and served throughout the period, are listed on page 2.

# **Bourne RM Academy Limited**

## **Governors' Report (continued)**

### Policies and Procedures Adopted for the Induction and Training of Governors

All trustees and governors are provided with copies of procedures, minutes, accounts, budgets plans and other documents that they will need to undertake their role as trustees and governors

All trustees and governors have access to a range of training programmes

### Organisational Structure

The organisational structure of the Academy consists of three levels The Trustee Board, Governors and the Senior Leadership Team (SLT)

The Academy is governed by the Trustee Board which delegates functions as appropriate to the Governing Body who are appointed by the trustees as a committee Trustees are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation The trustees and governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy

The governing body is responsible for setting general policy, adopting an annual School Development Plan (SDP) and budget, monitoring the Academy's use of budgets and making major decisions about the direction of the Academy and senior staff appointments The governors are responsible for monitoring the performance of the Headteacher and SLT on a regular basis

The SLT consists of the Headteacher, Deputy Headteacher and four Assistant Headteachers

### Risk Management

The governors are aware of the major risks to which the Academy Trust is exposed, particularly via regular reports from the Finance Committee and the Premises/Health & Safety Committee Systems and procedures have been established to manage those risks To reduce financial risks, the Academy has appointed an Audit Committee from 1 September 2012 to oversee the application of its Internal Financial and Management Control Procedures, which are clearly documented and were approved by the governors on 22 May 2012

### Connected Organisations

The trust works closely with its main feeder primary schools, local community organisations and charities and a number of schools within Lincolnshire, but is not part of a wider federation

## **Objectives and Activities**

### Objects and Aims

The Academy Trust's principal object 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, managing and developing a school offering a broad and balanced curriculum

## **Bourne RM Academy Limited**

The aim of the Academy is to provide a quality education in a caring and disciplined community

- By maintaining the Academy's reputation for excellent examination results,
- By allowing pupils of all abilities to attain their full potential and develop their own special qualities,
- By offering a wide range of extra-curricular activities and sports,
- By maintaining the high standards and expectations of the Academy,
- By developing a positive attitude towards equal opportunities for all, regardless of sex, religion or personal difficulties,
- By expecting pupils to value all members of the Academy's community and its environment,
- By allowing pupils to acquire attitudes and skills which enable them to give purpose to their lives and to make a contribution to the wider community

### Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31 August 2012 are summarised below

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care,
- To raise the standard of educational achievement of all pupils,
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- To provide value for money for the funds expended,
- To comply with all appropriate statutory and curriculum requirements,
- To maintain close links with industry and commerce,
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

### Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. Given the activities of the Academy and the student population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

### **Achievements and Performance**

The Academy opened on 1 September 2011 and had a School Development Plan approved by Governors to cover the 2011-12 Academic Year. This consisted of a 'smart' target plan under the four Ofsted headings of Leadership & Management, (Quality of) Teaching, Achievement and Behaviour & Safety. The outcomes from the plan are listed below.

#### Target 1 Leadership & Management

- A Quality Assurance Framework was established in 2011-12 to address 'Within School Variation' & department inspection reviews were carried out in areas that required improvement.
- SLT Link Review. A rigorous SLT Link Review framework was established, to challenge & support department leaders and individual teachers to maximise success with their GCSE and A Level classes.

## **Bourne RM Academy Limited**

### Target 2 Teaching

- There was a focus in 2011-12 on moving satisfactory lessons to good and good to outstanding, resulting in 79% of observed lessons being judged to be good or better

### Target 3 Achievement

- **Assessment Procedures** Whole school and departmental assessment procedures were developed, leading to improved monitoring of underachieving students, using our management information system This improved the support for groups of students in different categories e.g. More Able, SEND (Special Educational Needs & Disability), FSM (Free School Meals), EAL (English as an Additional Language) & Gender
- **Curriculum** Our curriculum and option procedures were further refined at Key Stages 4 (GCSE) & 5 (A Level), to assist students in achieving their potential

### Target 4 Behaviour & Safety

- **House System** This was successfully introduced in 2011-12, with students placed in vertical (all age) tutor groups within the houses It has led to greater integration across year groups and an improved school community, particularly through numerous inter-house competitions
- **Behaviour** There was an increased focus on our 4-Point Behaviour Plan, resulting in the superb behaviour in lessons and around school that typify Bourne Academy
- **Absence** Increased strategies for tackling absenteeism were introduced resulting in an improved overall attendance figure of 94.4%
- **Rewards & Activities** A more rigorous reward and activity programme was introduced in 2011-12, which was well received by students as it further increased their motivation to succeed through our increased recognition of their efforts

These processes led to the following results in the summer of 2012

GCSE 5 A*-C	84%
GCSE 5 A*-C including English & Mathematics	54%
GCSE 5 A*-G	99.5%
A Level Pass Rate	91%
AS Level Pass Rate	93%

In addition to its ongoing aim of continuously improving standards, the Academy is committed to promoting the wider education of its students This is achieved by delivering a range of experiences that come under the heading of SMSC (Spiritual, Moral, Social and Cultural) education This encompasses

- Discrete Religious Education lessons for all students from Year 7 to 11, dealing with Philosophy, Ethics and the major religions, including Christianity
- Extensive community links, both locally, regionally and internationally
- Sixth Form, Upper School, Lower School and House assemblies, stressing the importance of playing a positive part in the life of the school and wider community
- Charity fund-raising, covering the major national days but also House nominated charities suggested by students

## **Bourne RM Academy Limited**

- A wide range of extra-curricular sporting activities, particularly team sports
- A wide range of cultural activities, including Art, Drama and Music, which have enabled us to qualify for the prestigious Artsmark Award

### **Going Concern**

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

### **Financial Review**

The Trust held fund balances at 31 August 2012 of £10,802,828, comprising £294,113 of restricted funds, a fixed asset reserve of £10,951,370, a pension reserve deficit of £775,000 and £332,345 of unrestricted general funds.

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the period ended 31 August 2012, total expenditure of £6,090,681 was less than recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period was £294,113.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In period under review, £230,842 was carried forward representing 4.0% of GAG.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2012 this was 81.3% and this will be monitored in future periods.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £775,000.

Detail is still awaited on future funding for the Trust from 2013 onwards. Pupil numbers are expected to remain stable. The impact of national funding spending cuts and of redirecting funding into the pupil premium for example, may have an adverse effect on grant funding.

### **Reserves Policy**

Subject to EFA's constraints on permitted balances, the Academy's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding along with anticipated capital spend, the situation will be kept under review. The reserves of the Academy are reviewed regularly and are considered to be sufficient for the Academy's requirements.

### **Investment Policy**

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



# **Bourne RM Academy Limited**

## **Plans for Future Periods**

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit

The Trust will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education

The priorities for the following year, consistent with the Objects and Aims of the Academy, will be set out in the annual School Development Plan (SDP), a copy of which will be distributed to Trustees and to all Governors, as well as to the staff of the school. Governors will then be able to oversee the ongoing strategic development of the Academy by challenging and supporting the Headteacher and Leadership Team about the successful achievement of the targets set out in this document. Alongside the SDP, consistent with SDP priorities, a plan of proposed capital developments in the next financial year will be presented annually to Governors for their approval

## **Auditor**

In so far 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

Approved by order of the members of the Governing Body on **27 November 2012** and signed on its behalf by



**Mr R Moore**  
**Chairman of Governors**

# Bourne RM Academy Limited

## Governance Statement

### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Bourne RM Academy Ltd 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 Headmaster 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 Bourne RM Academy Ltd and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The **Governing Body** has formally met seven times during the year. Attendance during the year at meetings of governing body was as follows:

Governor	Total possible	Meetings attended	Apologies Accepted
Mr R Moore (Chairman)	7	7	0
Mr P Bryan	7	3	3
Mrs L Dray	7	6	1
Mrs E Dyer (Staff governor)	7	5	1
Cllr C Farquharson	7	5	0
Mr S Haigh	7	6	1
Mr W Hawkins	7	3	3
Mr T Holmes (resigned 23 September 2011)	1	0	0
Mrs S Jackson (Staff Governor)	7	5	1
Mrs A Jones	7	1	3
Mr J Kirkman	7	6	1
Mr D Pickering	7	3	2
Mrs H Powell	7	2	3
Mr L Reilly (Headteacher/ accounting officer)	7	6	0
Mr R Roberts	7	4	1
Mrs K Roche (Staff governor- appointed 4 May 2012)	3	2	1
Mrs R Robertson	7	4	1
Mr T Seston (Staff governor- resigned 27 March 2012)	3	3	0
Mrs C Wookey	7	5	0
Cllr S Woolley	7	5	1

The **Finance Committee** is a sub-committee of the main governing body. Its primary purpose is to assist the decision making of the governing body by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The other purposes of the committee are detailed on the terms of reference for the committee.

## Bourne RM Academy Limited

There were no changes to the membership of the committee during the year Attendance at meetings in the year was as follows

<b>Governor</b>	<b>Total possible</b>	<b>Meetings attended</b>	<b>Apologies Accepted</b>
Mr P Bryan	5	1	2
Mr S Haigh	5	2	3
Mr W Hawkins	5	5	0
Mrs S Jackson (Staff Governor)	5	1	4
Mrs A Jones	5	1	1
Mr J Kirkman	5	5	0
Mr L Reilly (Headteacher/ accounting officer)	5	5	0
Mr R Roberts (Chairman)	5	5	0
Mrs C Wookey	5	3	1
Cllr S Woolley	5	4	1

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bourne RM Academy Ltd for the period ended 31 August 2012 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 Trust 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2012 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews 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 (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr A Cushing FCCA as

## **Bourne RM Academy Limited**

Responsible Officer ('RO') The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During the year under review the RO was involved with the implementation of systems and procedures as well as the appointment of a new Finance Officer. As a result of this, he was only able to prepare one full report for the Governors during the period. In future he intends to report once each term unless he or the Governors consider that a more frequent review is required.

In his reviews, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In the review published during the year the RO did not identify any material control issues; however, there were several recommendations which have been followed up by the management team.

### **Review of Effectiveness**

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the trustees of the Governing Body on **27 November 2012** and signed on its behalf by



**Mr R Moore**  
**Chairman of Governors**



**Mr R Roberts**  
**Vice Chairman of Governors**

## **Bourne RM Academy Limited**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Bourne RM Academy Limited I have considered my responsibility to notify the Academy Trust 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 trust 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 trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under academy trust'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.

A handwritten signature in black ink, appearing to read 'L Reilly', with a stylized flourish at the end.

**Mr L Reilly**  
**Accounting Officer**

# **Bourne RM Academy Limited**

## **Statement of Governors' Responsibilities**

The governors (who act as trustees for charitable activities of Bourne RM Academy Ltd 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 Requirements 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 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 **27 November 2012** and signed on its behalf by



**Mr R Moore**  
**Chairman of Governors**

# **Bourne RM Academy Limited**

## **Independent Auditor's Report to the Members of Bourne RM Academy Limited**

We have audited the financial statements of Bourne RM Academy Limited for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accountancy Practice), the Annual Accounts Direction 2011/12 issued by the EFA and applicable law.

The report is made solely to the 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 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 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 auditors**

As described in the Statement of Governors' Responsibilities the governors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the Governors' Annual Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

We read the Governors' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **Bourne RM Academy Limited**

## **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice including the Accounts Direction 2011/12 issued by the EFA, of the state of the company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including that grants from the EFA have been applied for the purposes intended, in the year then ended have been properly prepared in accordance with the Companies Act 2006, and the information contained in the Governors' Annual Report 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 returns adequate for our audit have not been received from branches not visited by us, or
- The financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of Governors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit



**MARK BRADSHAW (Senior  
Statutory Auditor)**

For and behalf of  
STREETS AUDIT LLP  
Chartered Accountants &  
Statutory Auditor

St Peter's Chambers  
2 Bath Street  
Grantham  
Lincs  
NG31 6EG

27 November 2012



# **Bourne RM Academy Limited**

## **Independent Auditor's Report on Regularity to the Governing Body of Bourne RM Academy Limited and the Education Funding Agency**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2012 have been applied to the purpose 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. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 opinion we have formed

### **Respected responsibilities of the governing body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010 subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purpose intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for the review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

### **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

### **Opinion**

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 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**MARK BRADSHAW (Senior Statutory Auditor)**

For and behalf of  
STREETS AUDIT LLP  
Chartered Accountants &  
Statutory Auditor

St Peter's Chambers  
2 Bath Street  
Grantham  
Lincs  
NG31 6EG

27 November 2012

# Bourne RM Academy Limited

## Statement of Financial Activities (Incorporating the Income and Expenditure Account) Period ended 31 August 2012

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
<b>Incoming resources</b>					
Incoming resources from generating funds					
-Voluntary income	3	315,602	13,569	-	329,171
-Activities for generating funds	4	67,158	162,638	-	229,796
-Investment income	5	1,164	-	-	1,164
-Voluntary income – transfer from Local Authority on conversion	3	-	(576,098)	10,769,549	10,193,451
Income resources from charitable activities					
-Funding for the Academy's education operations	6	-	6,162,685	-	6,162,685
<b>Total incoming resources</b>		<b>383,924</b>	<b>5,762,794</b>	<b>10,769,549</b>	<b>16,916,267</b>
<b>Resources expended</b>					
Charitable activities					
-Academy's educational operations	8	(56,079)	(5,631,189)	(11,476)	(5,698,744)
Governance costs	9	-	(270,695)	-	(270,695)
<b>Total resources expended</b>	7	<b>(56,079)</b>	<b>(5,901,884)</b>	<b>(11,476)</b>	<b>(5,969,439)</b>
<b>Net incoming / (Outgoing) resources before transfer</b>		<b>327,845</b>	<b>(139,090)</b>	<b>10,758,073</b>	<b>10,946,828</b>
Gross transfer between funds	17	4,500	(197,797)	193,279	-
<b>Net income / (expenditure) for the year</b>		<b>332,245</b>	<b>(336,887)</b>	<b>10,951,370</b>	<b>10,946,828</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17, 27	-	(144,000)	-	(144,000)
<b>Net movement in funds</b>		<b>332,345</b>	<b>(480,887)</b>	<b>10,951,370</b>	<b>10,802,828</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 September 2012	17	-	-	-	-
<b>Funds carried forward at 31 August 2012</b>		<b>332,345</b>	<b>(480,887)</b>	<b>10,951,370</b>	<b>10,802,828</b>

The Statement of Financial Statements includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared


All of the academy trust's activities derive from acquisitions in the current financial period

# Bourne RM Academy Limited

## Balance Sheet 31 August 2012

	Note	2012 £	£
<b>Fixed Assets</b>			
Tangible Assets	13		11,015,651
<b>Current assets</b>			
Stocks	14	-	
Debtors	15	133,276	
Cash at bank and in hand		561,292	
		<u>694,568</u>	
<b>Creditors: Amounts Falling due within one year</b>	16	<u>(132,391)</u>	
<b>Net current assets</b>			562,177
Total assets less current liabilities			<u>11,577,828</u>
<b>Net assets excluding pension liability</b>			11,577,828
Pension scheme liability	27		(775,000)
<b>Net assets including pension liability</b>			<u>10,802,828</u>
<b>Funds of the academy.</b>			
<b>Restricted funds</b>			
-Fixed assets funds	17		10,951,370
-General fund(s)	17		294,113
-Pension reserve	17		(775,000)
<b>Total restricted funds</b>			<u>10,470,483</u>
<b>Unrestricted funds</b>			
-General fund(s)	17		332,345
<b>Total unrestricted funds</b>			<u>332,345</u>
<b>Net assets</b>			<u>10,802,828</u>

These financial statements were approved by the Governors, and authorised for issue on **27 November 2012** and are signed on their behalf by



**Mr R Moore**  
Chairman of Governors

# **Bourne RM Academy Limited**

## **Cash Flow Statement Period ended 31 August 2012**

	Notes	2012 £
Net cash inflow from operating activities	21	502,103
Returns on investments and servicing of finance	22	1,164
Capital expenditure	23	(257,578)
Cash transferred on conversion to an academy trust		315,602
(Decrease)/Increase in cash in the year	24	<u>561,291</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 1 September 2011		-
Net funds at 31 August 2012	24	<u>561,291</u>

All of the cash flows are derived from acquisitions in the current financial period

# **Bourne RM Academy Limited**

## **Notes to the Financial Statements Period ended 31 August 2012**

### **1. Accounting Policies**

#### **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" issued in March 2005 (SORP 2005) and the Companies Act 2006

#### **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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements

#### **Company Status**

The academy is a company limited by guarantee. The members of the company are the Governors named on Page 2. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

#### **Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty or 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 period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Sponsorship income**

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

- **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 the goods have been provided or on completion of the service.

# **Bourne RM Academy Limited**

## **Notes to the Financial Statements**

**Period ended 31 August 2012**

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust 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 Academy Trust's policies.

On becoming an Academy Trust the buildings used by the predecessor school was transferred to the company on a long lease and included at a valuation prepared by the EFA.

### **Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of 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.

- **Cost 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 Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

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

# **Bourne RM Academy Limited**

## **Notes to the Financial Statements**

**Period ended 31 August 2012**

### **Depreciation**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful economic life, as follows

Fixtures, fittings and equipment	10% per annum
ICT equipment	25% per annum
Motor Vehicles	25% per annum

The Academy incurs significant repair and replacement costs such that the Governors believe the property's residual value is not materially different to the cost. Accordingly no depreciation is charged.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

### **Leased Assets**

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

### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2012 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2012 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method.

# **Bourne RM Academy Limited**

## **Notes to the Financial Statements**

**Period ended 31 August 2012**

As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust 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 contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

### **Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Robert Manning College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bourne RM Academy Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as £15,615,704 in the Statement of Financial Activities and analysed under restricted funds, restricted general funds and restricted fixed asset funds. The buildings have been recognised in line with the EFA valuation, the pension based on the local authority commissioned actuarial valuation and the fixed assets based on managements' valuation (and subject to a £1,000 de minimis limit). Further details of the transaction are set out in note 29.



# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 2. General Annual Grant (GAG)

Results and Carry Forward for the year	2012 £	2011 £
GAG brought forward from previous year	-	-
GAG allocation for current year	<u>5,742,628</u>	<u>-</u>
<b>Total GAG available to spend</b>	<b>5,742,628</b>	<b>-</b>
Recurrent expenditure from GAG	(5,318,489)	-
Fixed assets purchased from GAG	<u>(193,297)</u>	<u>-</u>
<b>GAG carried forward to next year</b>	<b>230,842</b>	<b>-</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(689,115)</u>	<u>-</u>
<b>GAG to surrender to DFE</b> (12% rule breach if result is positive)	<u>(458,273)</u>	<u>-</u>
<b>No breach</b>		

### 3. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Donations – Capital	-	-	-	-
Transfer from local authority on conversion	315,602	10,193,451	10,509,053	-
Other Donations	-	13,569	13,569	-
	<u>315,602</u>	<u>10,207,050</u>	<u>10,522,622</u>	<u>-</u>

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 4. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Hire of facilities	41,856	-	41,856	-
Consultancy income	-	-	-	-
Insurance receipts	-	-	-	-
School fund income	-	159,086	159,086	-
Sale of books and other equipment	25,302	3,552	28,854	-
Catering income	-	-	-	-
	<b>67,158</b>	<b>162,638</b>	<b>229,796</b>	-

### 5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Bank Interest	1,164	-	1,164	-
	<b>1,164</b>	<b>-</b>	<b>1,164</b>	<b>-</b>

### 6. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
<b>DfE/EFA capital grant</b>				
Academy main building grants	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) note 2	-	5,742,628	5,742,628	-
Start up Grants	-	25,000	25,000	-
Other DfE/EFA grants	-	132,289	132,289	-
	<b>-</b>	<b>5,899,917</b>	<b>5,899,917</b>	<b>-</b>
<b>Other Government grants</b>				
Other LA grants	-	262,768	262,768	-
Special educational projects	-	-	-	-
	<b>-</b>	<b>262,768</b>	<b>262,768</b>	<b>-</b>
	<b>-</b>	<b>6,162,685</b>	<b>6,162,685</b>	<b>-</b>

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 7. Resources Expended

	Staff Costs £	Non Pay Premises £	Other Costs £	Total 2012 £	Total 2011 £
Academy's educational operations					
-Direct costs	4,303,863	11,476	440,991	4,756,330	-
-Allocated support costs	366,736	452,889	122,789	942,414	-
	<u>4,670,599</u>	<u>464,365</u>	<u>563,780</u>	<u>5,698,744</u>	<u>-</u>
Governance costs including allocated support costs	-	-	270,695	270,695	-
	<u>4,670,599</u>	<u>464,365</u>	<u>834,475</u>	<u>5,969,439</u>	<u>-</u>

### Incoming/Outgoing resources for the year include:

	2012 £	2011 £
Operating lease	23,801	-
Fees payable to auditor		
-audit	5,500	-
-other services	1,900	-

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 8 Charitable Activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
<b>Direct costs</b>				
Teaching and educational support staff costs	9,871	4,293,992	4,303,863	-
Depreciation	-	11,476	11,476	-
Educational supplies	13,424	260,589	274,013	-
Examination fees	-	102,388	102,388	-
Staff development	1,366	16,990	18,356	-
Educational consultancy	-	-	-	-
Other direct cost	-	46,234	46,234	-
	<b>24,661</b>	<b>4,731,669</b>	<b>4,756,330</b>	<b>-</b>
<b>Allocated supports costs</b>				
Support staff	19,777	346,959	366,736	-
Depreciation	-	-	-	-
Recruitment and support	-	21,877	21,877	-
Maintenance of premises and equipment	680	169,301	169,981	-
Cleaning	-	115,642	115,642	-
Rents and rates	10,961	101,531	112,492	-
Insurance	-	54,774	54,774	-
Security and transport	-	16,547	16,547	-
Catering	-	35,951	35,951	-
Bank interest and charges	-	1,256	1,256	-
Other support costs	-	47,158	47,158	-
	<b>31,418</b>	<b>910,996</b>	<b>942,414</b>	<b>-</b>
	<b>56,079</b>	<b>5,642,665</b>	<b>5,698,744</b>	<b>-</b>

### 9. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Legal and professional fees	-	20,881	20,881	-
Auditor's remuneration	-	-	-	-
-Audit of financial statements	-	5,500	5,500	-
-Accounting and payroll services	-	1,900	1,900	-
Personnel fees	-	29,739	29,739	-
Charitable donations	-	12,303	12,303	-
IT costs	-	200,372	200,372	-
	<b>-</b>	<b>270,695</b>	<b>270,695</b>	<b>-</b>

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 10. Staff costs

Staff costs during the period were	2012 £	2011 £
Wages & Salaries	3,722,351	-
Social security costs	286,081	-
Pension costs	552,673	-
	<u>4,561,105</u>	-
Supply teacher costs	109,494	-
Compensation payments	-	-
	<u>4,670,599</u>	-

The average number of persons (including senior management team) employed by the Academy during the period expressed as full time equivalents was as follows

	2012 No.	2011 No.
<b>Charitable Activities</b>		
Teachers	86	-
Administration and Support	55	-
Management	12	-
	<u>153</u>	-

The number of employees whose emoluments fell within the following bands was

	2012 No.	2011 No.
£60,001 - £70,000	1	-
£80,001 - £90,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £22,242

### 11. Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headmaster 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 the staff governors' remuneration for the period was as follows

Mr L Reilly, Headteacher	£85k - £90k
Mrs E Dyer, Staff Governor	£45k - £50k
Mrs S Jackson, Staff Governor	£10k - £15k
Mrs K Roache, Staff Governor	£5k - £10k
Mr T Seston, Staff Governor	£15k - £20k

Related party transactions involving the trustees are set out in note 28

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 12. Governors' and Officer' 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 providers cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2012 was £1,417.

The cost of this insurance is included in the total insurance cost.

### 13. Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
Transfer on conversion	10,753,349	2,000	-	14,200	10,769,549
Additions	203,040	8,708	36,830	9,000	257,578
Disposals	-	-	-	-	-
<b>At 31 August 2012</b>	<b>10,956,389</b>	<b>10,708</b>	<b>36,830</b>	<b>23,200</b>	<b>11,027,127</b>
<b>Depreciation</b>					
At 1 September 2011	-	-	-	-	-
Charged in year	-	1,072	4,604	5,800	11,476
Disposals	-	-	-	-	-
<b>At 31 August 2012</b>	<b>-</b>	<b>1,072</b>	<b>4,604</b>	<b>5,800</b>	<b>11,476</b>
<b>Net book value</b>					
<b>At 31 August 2012</b>	<b>10,956,389</b>	<b>9,636</b>	<b>32,226</b>	<b>17,400</b>	<b>11,015,651</b>
At 31 August 2011	-	-	-	-	-

### 14. Stock

	2012 £	2011 £
Clothing	-	-
Catering	-	-
	-	-

### 15. Debtors

	2012 £	2011 £
Trade debtors	11,231	-
Other debtors	57,609	-
Prepayments	64,436	-
	133,276	-

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 16. Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,881	-
Other taxation and social security	-	-
Other creditors	8,817	-
Accruals and deferred income	121,693	-
	<u>132,391</u>	<u>-</u>

Deferred income	2012 £
Deferred income at 1 September 2011	-
Resources deferred in the year	5,852
Amounts released from previous years	-
Deferred income at 31 August 2012	<u>5,852</u>

Deferred income relates to a bursary grant received for the 2012/13 academic year

### 17. Funds

	Balance at 1 September 2011 £	Incoming resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2012 £
<b>Restricted general funds</b>					
General Annual Grant/					
Other DfE/EFA	-	6,384,794	(5,892,884)	(197,797)	294,113
Pension reserve	-	(622,000)	(9,000)	(144,000)	(775,000)
	-	<u>5,762,794</u>	<u>(5,901,884)</u>	<u>(341,797)</u>	<u>(480,887)</u>
<b>Restricted fixed asset funds</b>					
Transfer from former school	-	10,769,549	-	-	10,769,549
Capital expenditure from GAG	-	-	(11,476)	193,297	181,821
	-	<u>10,769,549</u>	<u>(11,476)</u>	<u>193,279</u>	<u>10,951,370</u>
<b>Total restricted funds</b>	-	<u>16,532,343</u>	<u>(5,913,360)</u>	<u>(148,500)</u>	<u>10,470,483</u>
<b>Unrestricted funds</b>					
Unrestricted funds	-	383,924	(56,079)	4,500	332,345
<b>Total funds</b>	-	<u>16,916,267</u>	<u>(5,969,439)</u>	<u>(144,000)</u>	<u>10,802,828</u>

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 17. Funds (continued)

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

#### Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. These are not currently designated for particular purposes.

#### Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

#### Restricted Fixed Asset funds

Transfer from former school represents the land, buildings and assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

### 18. Analysis of Net Assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total Funds £
Tangible fixed assets	-	-	11,015,651	11,015,651
Current assets	332,345	362,223	-	694,568
Current liabilities	-	(68,110)	-	(68,110)
Pension scheme liability	-	(775,000)	-	(775,000)
<b>Total net assets</b>	<b>332,345</b>	<b>(480,887)</b>	<b>10,951,370</b>	<b>10,802,828</b>



# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 19. Capital commitments

	2012	2011
	£	£
Contracted for, but not provided in the financial statements	-	-

### 20. Financial commitments

#### *Operating leases*

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

	2012	2011
	£	£
<u>Land and buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<hr/>	<hr/>
	-	-
<u>Other</u>		
Expiring within one year	867	-
Expiring within two and five years inclusive	7,887	-
Expiring in over five years	2,771	-
	<hr/>	<hr/>
	11,525	-

### 21. Reconciliation of net income to net cash inflow from operating activities

	2012	2011
	£	£
Net income	10,946,828	-
Assets transferred on conversion to an Academy Trust	(10,463,151)	-
Depreciation (note 13)	11,476	-
Capital grants from DfE and other capital income	-	-
Interest receivable (note 5)	(1,164)	-
FRS 17 pension cost less contributions payable (note 27)	9,000	-
FRS 17 pension finance income (note 27)	-	-
(Increase)/decrease in debtors	(133,276)	-
Increase/(decrease) in creditors	132,391	-
<b>Net cash inflow from operating activities</b>	<hr/> 502,104 <hr/>	-

### 22. Returns on investments and servicing of finance

Interest received	1,164	-
<b>Net inflow from returns on investment and servicing of finance</b>	<hr/> 1,164 <hr/>	-

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 23. Capital expenditure and financial investment

Purchase of tangible fixed assets	257,578	-
Capital grants from DfE/EFA	-	-
Capital funding received from sponsors and others	-	-
LGPS liability payable	-	-
<b>Net outflow from capital expenditure and financial investment</b>	<b>257,578</b>	<b>-</b>

### 24. Analysis of changes in net funds

	At 1 Sept 2011 £	Cash Flow £	At 31 August 2012 £
Cash in hand and at bank	-	561,292	561,292
	-	561,292	561,292

### 25. Contingent Liabilities

The Academy had no contingent liabilities at the 31 August 2012

In the event of Bourne RM Academy Limited ceasing to operate as an academy provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy

### 26 Members' Liability

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

### 27. Pension and similar obligations

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 Lincolnshire County Council Both are defined-benefit schemes

As described in note 29 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

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 2012

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

# **Bourne RM Academy Limited**

## **Notes to the Financial Statements**

**Period ended 31 August 2012**

### **27. Pension and similar obligations (continued)**

#### **Teachers' Pension Scheme**

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

<b>Latest actuarial valuation (under the new provisions)</b>	<b>31 March 2004</b>
<b>Actuarial method</b>	<b>Prospective benefits</b>
<b>Investment returns per annum</b>	<b>6.5 per cent per annum</b>
<b>Salary scale increases per annum</b>	<b>5.0 per cent per annum</b>
<b>Notional value of assets at date of last valuation</b>	<b>£162,650 million</b>
 <b>Proportion of members' accrued benefits covered by the notional value of the assets</b>	 <b>98.88%</b>

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2011 to 31 August 2012 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multiemployer 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 and the implications for the Academy in terms of the anticipated contribution rates.

#### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £183,000, of which employer's contributions totalled £144,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 27.4% for employers and between 5.5% and 7.5% for employees depending upon income.

# Bourne RM Academy Limited

## Notes to the Financial Statements Period ended 31 August 2012

### 27. Pension and similar obligations (continued)

Principal Actuarial Assumptions	At 31 August 2012	At 31 August 2011
Rate of increase in salaries	4.50%	-
Rate of increase for pensions in payment / inflation	2.20%	-
Discount rate for scheme liabilities	4.10%	-
Inflation assumption (CPI)	2.50%	-
Commutation of pensions to lump sums	63%	-

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

	At 31 August 2012	At 31 August 2011
Retiring today		
Males	21.2	-
Females	23.4	-
Retiring in 20 years		
Males	23.7	-
Females	25.7	-

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

	Expected Return at 31 August 2012	Fair value at 31 August 2012 £000	Expected return at 31 August 2011	Fair value At 31 August 2011 £000
Equities	5.50%	463		-
Bonds	3.70%	80		-
Property	3.70%	68		-
Cash	2.80%	6		-
<b>Total market value of assets</b>		<b>617</b>		<b>-</b>
Present value of scheme liabilities				
- Funded		(1,392)		-
<b>Surplus/(deficit) in the scheme</b>		<b>(775)</b>		<b>-</b>

The actual return on scheme assets was £46,000

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 27. Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities	2012 £000	2011 £000
Current service cost (net of employee contributions)	125	-
Past service cost	-	-
Total operating charge	<u>125</u>	<u>-</u>

### Analysis of pension finance income / (costs)

Expected return on pension scheme assets	30	-
Interest on pension liabilities	<u>(58)</u>	<u>-</u>
Pension finance income / (costs)	<u>(28)</u>	<u>-</u>

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 FRS 17 is a £144,000 gain.

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

	2012 £000	2011 £000
<b>At 1 September</b>		
Current service cost	125	-
Interest cost	58	-
Employer contributions	38	-
Actuarial (gain)/loss	159	-
Benefits paid	-	-
Past Service cost	-	-
Curtailments and settlements	-	-
Fair value of defined benefit obligation transferred to the academy upon conversion	1,012	
<b>At 31 August</b>	<u>1,392</u>	<u>-</u>

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

	2012 £000	2011 £000
<b>At 1 September</b>		
Expected return on assets	30	-
Actuarial gain/(loss)	15	-
Employer contributions	144	-
Employee contributions	38	-
Benefits paid	-	-
Fair value of Pension Scheme assets transferred to academy upon conversion	390	
<b>Pension finance income / (costs)</b>	<u>617</u>	<u>-</u>

# **Bourne RM Academy Limited**

## **Notes to the Financial Statements**

**Period ended 31 August 2012**

### **27. Pension and similar obligations (continued)**

The estimated value of employer contributions for the year ended 31 August 2012 is £154,000

**The history of experience adjustment is as follows:**

	<b>2012 £000</b>
<b>Present value of defined benefit obligations</b>	<b>1,392</b>
<b>Fair value of share of scheme assets</b>	<b>617</b>
<b>Deficit in the scheme</b>	<b><u>775</u></b>
 <b>Experience adjustments on share of scheme assets</b> Amount £000	 <b>15</b>
<b>Experience adjustments on scheme liabilities</b> Amount £000	 <b>-</b>

### **28. Related Party Transactions**

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

Duncan Pickering, a Governor, provides legal services to the school as a solicitor via his solicitor's practice Duncan A Pickering Solicitor. Transactions totalling £5,577 relating to the conversion to Academy status took place in the year. There were no amounts outstanding.

Skill Team Central, a business related to the site manager, provides electrical engineering services to the school. Transactions totalling £16,357 relating to these services took place in the year. There were no amounts outstanding.

### **29. Conversion to an academy trust**

On 1 September 2011 the Robert Manning College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bourne RM Academy Limited from the Lincolnshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

# Bourne RM Academy Limited

## Notes to the Financial Statements

Period ended 31 August 2012

### 29. Conversion to an academy trust (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	10,753,349	10,753,349
- Other tangible assets	-	-	16,200	16,200
Budget surplus/(deficit) on LA funds	-	315,602	-	315,602
Budget surplus/(deficit) on other school funds	-	45,902	-	45,902
LGPS pension surplus/(deficit)	-	(622,000)	-	(622,000)
Borrowing obligations	-	-	-	-
Other identified assets and liabilities	-	-	-	-
<b>Net assets/(liabilities)</b>	<b>-</b>	<b>(260,496)</b>	<b>10,769,549</b>	<b>10,509,053</b>

The above net assets include £361,504 that was transferred as cash