

Company Number 07768726

**BOURNE EDUCATION TRUST**  
**(formerly Epsom and Ewell High School)**

**ANNUAL REPORT**

**31 AUGUST 2013**



Baker Tilly Tax and Accounting Limited  
3<sup>rd</sup> Floor, One London Square,  
Cross Lanes, Guildford,  
Surrey GU1 1UN

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**ANNUAL REPORT  
for the year ended 31 August 2013**

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## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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The directors present their report and the financial statements of Bourne Education Trust (formerly Epsom and Ewell High School, and referred to as the "Academy Trust") for the year ended 31 August 2013

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

With effect from 1 September 2013, the Academy Trust has become a multi academy trust comprising from 1 September 2013, both Epsom & Ewell High School and Jubilee High School. Pyrcroft Grange Primary School joined the trust on 1 December 2013 and it is proposed that during 2014, Sythwood Primary School and Children's Centre will join the Academy Trust as a strategic partner advising on primary matters.

The Academy Trust was led by the governors of Epsom and Ewell High School from 1 September 2012 to 15 August 2013, who also acted as the directors of the company. During that period, the following governors held office

Chris Munro	<b>Chair and Parent governor</b>
Sara Lipscombe	<b>Vice Chair and Community governor</b>
Alex Russell	<b>Headteacher and Accounting Officer</b>
Jane Derrick	<b>Community governor</b> (resigned 8 August 2013)
Matt Gibson	<b>Staff Governor</b> (resigned 8 August 2013)
Mark Kelleher	<b>Parent governor</b> (resigned 15 August 2013)
Julia Kirkland	<b>Community governor</b> (resigned 8 July 2013)
Judith Quaife	<b>Parent governor</b> (resigned 15 August 2013)
Claire Spain	<b>Staff governor</b> (resigned 8 August 2013)

Of the above governors, Chris Munro and Judith Quaife were during that same period trustees of the charity and members of the company

In addition to the above named individuals, the following were co-opted to the board of governors of Epsom and Ewell High School with effect from 27 September 2012, but were neither director of the company nor trustees of the charity

Walter Lian	<b>Co-opted governor &amp; Responsible Officer</b>
Joanne Massey-Shand	<b>Co-opted governor</b>
Ann Wood	<b>Co-opted governor</b>

The Academy Trust changed its name on 15 August 2013 to Bourne Education Trust and a new board was appointed comprising the following directors, who were also the trustees of the charity and the members of the company

Sara Lipscombe	<b>Chair</b>
Alex Russell	<b>Executive Headteacher and Accounting Officer</b>
Chris Munro	<b>Sponsor representative</b>
Bob Linnell	<b>Secondary representative</b> (appointed 8 August 2013)
Penny Rendall	<b>Primary representative</b> (appointed 8 August 2013)
Sue Tresilian	<b>Strategic Primary Partner</b> (appointed 9 August 2013)

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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The principal address of the charity and the registered office of the company are the premises of the sponsoring academy Epsom & Ewell High School at Ruxley Lane, Epsom, Surrey KT19 9JW.

The Academy Trust is an exempt charity that is not therefore required to register with the Charity Commission, however the trust has registered with the exemption number XT35927 and the company is incorporated with the company registration number 07768726

The directors have made the following professional appointments.

Accountant	Baker Tilly Tax and Accounting Limited, 3 <sup>rd</sup> Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN
Auditor	Baker Tilly UK Audit LLP, 3 <sup>rd</sup> Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN
Banker	HSBC Bank plc, 9 Wellesley Road, Croydon, Surrey CR9 2AA  From 1 September 2013, accounts were opened with Lloyds Bank plc, 402-404 Ewell Road, Tolworth, Surbiton, KT6 7HF

During the year 2012-2013, in addition to the Headteacher, the following other key senior members of staff were responsible for the day-to-day management of the Academy Trust

Kate Sanders	Business Manager and Company Secretary
Guy Blair	Deputy Headteacher
Zelia Munnik	Assistant Headteacher
James Newman	Assistant Headteacher
Mary Gould	Assistant Headteacher
Lisa White	Assistant Headteacher

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Status & History**

Bourne Education Trust is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

The principal activity of the Academy Trust over the period 2012-2013 has been to run a secondary school for girls and boys located in Epsom, Surrey. This school was originally founded in 1948/49, became a foundation school on 21 May 1996 and converted to academy status on 1 October 2011. The Academy Trust now additionally runs a primary school and a secondary school for boys and girls located in Chertsey, and is expected to be joined during 2014 by a primary school for boys and girls based in Woking.

The original Academy Trust was incorporated on 9 September 2011 and was governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 9 September 2011. With the move to multi-academy trust status, the Academy Trust's governing document was updated by the adoption of new Articles of Association dated 2 August 2013.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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#### **Organisational Structure**

The management structure of the Bourne Education Trust consists of four levels: the Academy Trust board, the local Governing Bodies, the senior leadership teams and the middle leadership teams. The aim of the management structure is to devolve responsibility, improve accountability and encourage involvement in decision-making at all levels.

The directors fulfil a strategic role. They monitor the performance of individual schools in the Academy Trust against key performance indicators and appropriate schemes of delegation. In making decisions about the strategic direction of the Academy Trust, the board takes into account the views of the governors of Epsom & Ewell High School, as the sponsoring academy. Intervention in individual schools within the Academy Trust is driven by performance against the key performance indicators and on the advice of the Executive Headteacher. The local governors fulfil a largely strategic role. They adopt the individual school's strategic and annual development plans and sanction the annual budget. They monitor the school's performance and, on advice, make decisions about the direction of the school, its capital expenditure and senior staff appointments.

The directors of the Academy Trust are supported by the Executive Headteacher, the Trust Improvement Partner, the Trust Business Manager and the Clerk to the Board.

The schools are supported by senior leadership teams which run the schools at both an executive and operational level. These teams implement the policies and annual development plan laid down by the governors and report back to the governors termly on the progress made towards fulfilling them. At an operational level the senior leadership team provides strong leadership and management for the school community, in particular organising and developing the teaching staff, learning environment and students' learning.

As a group, the senior leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the Trust and/or local governing body and the headteacher are responsible. Some spending control is devolved to members of the senior leadership team and appointed budget holders.

The middle leaders consist of all curriculum and pastoral leaders. They are responsible for the day-to-day implementation of the school development plan, the delivery of the curriculum, exam preparation and performance and ensuring the well-being of students. They, along with teachers and tutors, are also the first point of contact for parents and carers.

#### **Method of Recruitment, Appointment, Election, Induction & Training of Directors**

The board of the Academy Trust currently comprises the Executive Headteacher, the Chair, a representative from the Sponsor Academy, a representative from one of the secondary schools in the Academy Trust, a representative from one of the primary schools in the Academy Trust, and a representative from the Strategic Primary Partner school. In addition to representing the schools in the Academy Trust, the board aims to ensure that there is the correct level and mix of skills amongst the directors.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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The governing body of each school comprises the headteacher and governors including parent governors, staff governors and other appointed governors

Parent governors are normally elected by parents of students registered at the school and the governing body makes arrangements to notify parents of a vacancy and oversees a secret ballot where the number of nominees exceeds the number of vacancies. Staff governors are similarly elected by staff.

Other governors are appointed after discussions with local community groups and businesses dependent on the person specification required. Volunteers first visit the school and, where appropriate, a recommendation would be made for a candidate to be presented to the full governing body with a view to appointment.

All new governors are given an induction pack and, if not familiar with the school, are invited to a tour and to meet key governors and staff. Training is provided by an outside consultancy specialising in governor training. There is a named governor to provide details of relevant courses, encourage attendance and monitor governor-wide training undertaken.

#### **Risk & Corporate Governance Matters**

The directors are in the process of assessing the major risks to which the Academy Trust is exposed, in particular those relating to financial management and the capacity of the sponsor to ensure the required improvements in the schools within the Academy Trust whilst maintaining the standards of the sponsor academy and those already in the Academy Trust.

The governors of Epsom & Ewell High School have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the schools and their finances. The governors have implemented a number of systems to assess risks that the schools face, especially in operational areas such as teaching and learning, health and safety, educational trips and visits, safeguarding and finance. They have introduced robust systems and internal financial controls to manage and minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance and effective systems of internal financial controls. These are explained in detail in the statement of internal control which is signed by the Chair of the Academy Trust and the Executive Headteacher as Accounting Officer.

#### **Auditor**

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

#### **Statement as to Disclosure of Information to the Auditor**

The directors at the date of approval of this directors' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware, and the directors 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.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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#### **Directors' Responsibilities in the Preparation of Financial Statements**

The directors are responsible for preparing the directors' annual report and the financial statements in accordance with the Academies Accounts Direction 2013 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 directors to prepare financial statements for each financial year. Under company law, the directors 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 Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable them to ensure that the financial statements comply with Companies Acts 2006. They are also responsible for safeguarding the assets of the Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that in its conduct and operation the Academy Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Department for Education (DfE) via the Education Funding Agency (EFA) have been applied for the purposes intended.

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

#### **Professional Indemnity Insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance arranged through Brit Insurance provides cover of up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was included within the premium for the commercial combined policy and is not separately identifiable.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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#### **Members' Liability**

Bourne Education Trust is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable Objectives**

The charitable objectives for which the Academy Trust is established are set down in the governing document as follows.

- 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 schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"), and
- To promote for the benefit of the inhabitants of the areas served by the Academies the provision of facilities, for recreation or other leisure-time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

##### **Principal Activities**

The principal activity of Bourne Education Trust is in accordance with its objectives advancing education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering broad and balanced curricula. Currently, the Academy Trust has three mainstream Academies within its control. In addition, the Academy Trust promotes recreational facilities to improve the condition of life for local residents. The detail of each school's objectives, strategies and activities are outlined in their individual school development plans.

##### **Public Benefit**

The directors confirm that they have referred to the guidance provided by the Charity Commission in respect of public benefit when reviewing the Academy Trust's aims and objectives (as set out above) and in planning future activities and setting appropriate policies for future years.



## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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#### **Connected Organisations, Including Related Party Relationships**

During 2012-2013, Bourne Education Trust worked closely with the Epsom & Ewell Confederation and the Epsom, Ewell and Banstead 11-19 Network to promote collaboration between local primary and secondary schools and further education providers. These are not separate legal entities but collaborative partnerships which operate under formal partnership agreements. Financial decisions for the partnerships are made by the steering groups at which the school is represented. The funds for the partnerships belong to the groups as a whole and thus surpluses and deficits on activities belong to all member schools in equal share.

Within the Academy Trust structure, Epsom and Ewell High School is an academy sponsor of Jubilee High School and Pyrcroft Grange Primary School and provides an interim leadership solution for Sayes Court Primary School & Children's Centre in Chertsey. It is supported in this by its Strategic Primary Partner, Sythwood Primary School & Children's Centre and by a Trust Improvement Partner.

#### **ACHIEVEMENTS AND PERFORMANCE**

The focus of the Academy Trust's activity throughout 2012/2013 was running Epsom and Ewell High School ("the school") in its second period of operation as any academy. The school achieved the forecast numbers of students with total students in the period ended 31 August 2013 numbering 814. The school has surplus places in all year groups and can admit up to 210 students per year group.

Examination results for 2013 were very pleasing. At A level, the average points score per candidate rose to 668 points - the highest the school has ever achieved. The percentage of students achieving 3 or more A levels rose 24% to 79%. These results have meant that the school has doubled the number of students going to university with more students going to top universities. Particularly pleasing was that the school saw a real improvement in the achievement of the most able students - 18% of students achieved all A\*-B grades and 38% achieved all A\*-C grades. For the first time, the performance in academic subjects was better than those in vocational subjects.

At GCSE, 64% of students achieved five or more GCSEs at A\*-C, including English and Mathematics. This shows a 1% increase on the previous academic period and is 6% above the school's ambitious FFT type D target. This maintains the school's position as one of the top performing schools in Surrey and in the top 10% nationally for student progress. This is an outstanding achievement.

To ensure that standards are continually raised, the school operates a programme of self-evaluation which includes review of performance data, learning walks, observation of lessons and termly externally led assessment of our work. Student performance is reported every half-term and the data analysed to ensure that all groups of students and departments are on track. The school was inspected by Ofsted in March 2012 and was deemed to be 'good'. The inspection team also identified a number of outstanding elements relating to leadership and pupil behaviour.

The staff meet every week for training either as a whole staff or in teams. There is a carousel of activities based on key themes so that the training provided is appropriate for each member of staff and reflects the priorities contained in the school development plan. The school also supports members of staff that are undertaking Master's degree courses externally. Both of these initiatives show the school's commitment to training and professional development.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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#### **FINANCIAL REVIEW**

##### **Going Concern**

After making appropriate enquiries, the directors have 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.

##### **Financial Review and Key Financial Performance Indicators**

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2013, the total expenditure of £5,796,323 was less than the total of incoming resources of £5,935,006 allowing the Academy Trust to carry forward significant fund balances for utilisation in future year.

During the year, specific additional funding for setting up the new multi-academy trust structure was received amounting to £171,000 of which £147,057 remained unspent as at 31 August 2013.

At 31 August 2013, the net book value of tangible fixed assets was £13,893,746 (31 August 2012: £14,221,351) and movements in tangible fixed assets are shown in more detail in the notes to the financial statements. These assets were exclusively those used for providing education and the associated support services to the students of Epsom and Ewell High School, and additional tangible fixed assets were acquired after the year end upon conversion of Jubilee High School and Pyrcroft Grange Primary School to academy status under the Academy Trust's control.

From the actuarial valuation for the year ended 31 August 2013, the FRS 17 pension deficit on the Academy Trust's proportion of the Surrey Local Government Pension Scheme had marginally reduced to £593,000 (31 August 2012: £599,000).

##### **Financial and Risk Management Objectives and Policies**

The principal Risk Management objective of the Academy Trust is to minimise all identified risks as outlined in the risk register by frequent review and remedial actions where required.

##### **Principal Risks and Uncertainties**

The major risks to which the Academy Trust is exposed are shortfalls in funding which have not been anticipated, changes in funding formulas and a reduction in the school roll.

##### **Reserves Policy**

The directors have agreed a Reserves Policy for the Academy Trust which will be reviewed annually. The review encompasses the nature of income and expenditure streams and the need to match income with commitments.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **DIRECTORS' ANNUAL REPORT for the year ended 31 August 2013**

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The directors have determined that the appropriate level of free reserves should be approximately £500,000. The reason for this is to provide sufficient working reserves to cover delays between spending and receipt of grants and to provide a cushion to cover the minimum funding guarantee, the removal of transitional protections and the anticipated reduction in 6<sup>th</sup> form numbers and funding.

As at 31 August 2013, free reserves amounted to £924,738 (31 August 2012 £599,164) but it is anticipated that much of this free reserve balance will be utilised over the course of the next 3 academic years as the Academy Trust expands the scope of its operations.

#### **Investment Policy**

Bourne Education Trust does not have any material investments. The Academy Trust's bank accounts are held with HSBC and Lloyds, and it operates Educational Current and Deposit accounts and School Fund Current and Deposit accounts. The Academy Trust has agreed upon Lloyds as its main banker for the future and during the year 2013-2014, accounts held with HSBC will be closed.

Interest earned on bank accounts during the year amounted to £2,337 (Year ended 31 August 2012 £937).

#### **PLANS FOR FUTURE PERIODS**

Bourne Education Trust will continue striving to improve the levels of performance of the students attending any of its member schools at all levels and as reflected in its mission statement and individual school development plans.

Epsom and Ewell High School will continue its efforts to ensure its students gain employment, training or a place in higher education once they leave. Epsom and Ewell High School will continue to accept transfers from other schools and colleges into years 7 to 13 where possible. Epsom and Ewell High School has an excellent reputation for the progress, personal development and well-being of its students and staff and this will continue to be a priority.

Bourne Education Trust will continue to look at the accommodation available to its member schools and to plan for the redevelopment of areas of those school sites where buildings have reached the end of their useful life.

Bourne Education Trust aims to provide the opportunity for increased student success beyond the boundaries of member schools by aiming to establish ways to benefit the wider community and provide direct access to school facilities, curricular materials and the expertise of staff. This is evidenced by our professional partnerships with other schools.

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**


**DIRECTORS' ANNUAL REPORT  
for the year ended 31 August 2013**

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**FUNDS HELD AS CUSTODIAN**

Although the Academy Trust maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Bourne Education Trust does not hold, and the directors do not anticipate that it will in the future hold, any funds as custodian for any third party

This report was approved by the Bourne Education Trust board of directors on 18 December 2013, and was signed for and on behalf of the board by

  
Sara Lipscombe      **Chair**

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **GOVERNANCE STATEMENT for the year ended 31 August 2013**

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#### **Scope of Responsibility**

As directors, we acknowledge we have overall responsibility for ensuring that Bourne Education Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of directors has delegated the day-to-day responsibility to the Executive Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bourne Education Trust and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdowns in internal control.

#### **Governance**

The governors have met formally 5 times during the financial year. Attendance at meetings was as follows:

Governor	Meetings attended	Out of possible
Chris Munro	5	5
Sara Lipscombe	5	5
Alex Russell	5	5
Jane Derrick	3	5
Matt Gibson	5	5
Mark Kelleher	4	5
Walter Lian (Co-opted governor)	5	5
Julia Kirkland	5	5
Joanne Massey-Shand (Co-opted governor)	5	5
Judith Quaife	5	5
Claire Spain	4	5
Ann Wood (Co-opted governor)	5	5

The Finance & Premises Committee is a sub-committee of the board of directors, and its purposes and terms of reference cover those of a typical audit committee. The Finance & Premises Committee met three times during the financial year. Attendance at meetings was as follows:

Governor	Meetings attended	Out of possible
Sara Lipscombe	2	3
Alex Russell	3	3
Matt Gibson	3	3
Mark Kelleher	3	3
Walter Lian (Co-opted governor)	3	3

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **GOVERNANCE STATEMENT for the year ended 31 August 2013**

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#### **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 Bourne Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bourne Education Trust for the year ended 31 August 2013 and up to the date of approval of the directors' annual report and financial statements.

#### **Capacity to Handle Risk**

The board of directors has reviewed the key risks to which Bourne Education Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing Bourne Education Trust's significant risks that has been in place for the year ended 31 August 2013 and up to the date of approval of the directors' annual report and financial statements. This process is regularly reviewed by the board of directors.

#### **The Risk and Control Framework**

Bourne Education Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors,
- regular reviews by the Finance & Premises 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, and
- identification and management of risks.

The board of directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the directors appointed Mr Walter Lian as Responsible Officer ("RO") for 2012-2013.

The RO's role includes giving advice on financial matters and performing a range of checks on Bourne Education Trust's financial systems. The RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

With the change to multi-academy trust status, it is anticipated that a more formal internal audit function will be implemented.

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**GOVERNANCE STATEMENT  
for the year ended 31 August 2013**

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**Review of Effectiveness**

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2013, this review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process, and
- the work of the Senior Leadership Team members within Epsom and Ewell High School who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of directors on 18 December 2013 and signed on its behalf by



**Chair**

Sara Lipscombe

18 December 2013



**Accounting Officer**

Alex Russell

18 December 2013

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
for the year ended 31 August 2013**

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As Accounting Officer of Bourne Education Trust, 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 irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**Accounting Officer**

Alex Russell

18 December 2013



**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOURNE EDUCATION TRUST  
for the year ended 31 August 2013**

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We have audited the financial statements of Bourne Education Trust for the year ended 31 August 2013 on pages 18 to 41. 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 issued by the Education Funding Agency.

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

**Respective responsibilities of directors and auditor**

As explained more fully in the statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOURNE EDUCATION TRUST  
for the year ended 31 August 2013**

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

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

- the Academy Trust has not kept adequate accounting records, 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

Perry Linton FCA (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
3<sup>rd</sup> Floor, One London Square  
Cross Lanes  
Guildford  
Surrey GU1 1UN

*22 December* 2013

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)  
for the year ended 31 August 2013**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total</b>	<b>Total</b>
	<b>Notes</b>	<b>£</b>	<b>General £</b>	<b>Fixed Assets £</b>	<b>2013 £</b>	<b>2012 £*</b>
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income – upon conversion	2	-	-	-	-	14,470,022
Voluntary income – other	2	-	419,395	-	419,395	66,385
Activities for generating funds	3	27,946	-	-	27,946	26,036
Investment income	4	2,337	-	-	2,337	937
<b>Incoming resources from charitable activities</b>						
Academy Trust's educational operations	5	411,857	5,072,193	-	5,484,050	4,595,771
<b>TOTAL INCOMING RESOURCES</b>		<b>442,140</b>	<b>5,491,588</b>	<b>-</b>	<b>5,933,728</b>	<b>19,159,151</b>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Academy Trust's educational operations	6	116,566	5,223,196	396,084	5,735,846	4,770,407
<b>Governance costs</b>	<b>6</b>	<b>-</b>	<b>60,477</b>	<b>-</b>	<b>60,477</b>	<b>41,544</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>116,566</b>	<b>5,283,673</b>	<b>396,084</b>	<b>5,796,323</b>	<b>4,811,951</b>
<b>NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>325,574</b>	<b>207,915</b>	<b>(396,084)</b>	<b>137,405</b>	<b>14,347,200</b>
<b>TRANSFERS</b>						
Gross transfers between funds		-	(68,479)	68,479	-	-
<b>NET INCOME/ (EXPENDITURE) FOR THE YEAR</b>		<b>325,574</b>	<b>139,436</b>	<b>(327,605)</b>	<b>137,405</b>	<b>14,347,200</b>

\* Figures for the comparative period comprise the 11 month period of activity following conversion

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)  
for the year ended 31 August 2013**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>			
	<b>Notes</b>	<b>£</b>	<b>General £</b>	<b>Fixed Assets £</b>	<b>Total 2013 £</b>	<b>Total 2012 £*</b>
<b>NET INCOME/ (EXPENDITURE) FOR THE YEAR</b>		325,574	139,436	(327,605)	137,405	14,347,200
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains/(losses) on defined benefit pension schemes	13	-	7,000	-	7,000	(50,000)
<b>NET MOVEMENT IN FUNDS</b>		325,574	146,436	(327,605)	144,405	14,297,200
<b>RECONCILIATION OF FUNDS</b>						
Fund balances brought forward at 1 September 2012		599,164	(523,315)	14,221,351	14,297,200	-
<b>FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2013</b>	14	924,738	(376,879)	13,893,746	14,441,605	14,297,200
		=====	=====	=====	=====	=====

The net movement in funds for the year arises from the Academy Trust's continuing operations (2012 acquired operations)

*\* Figures for the comparative period comprise the 11 month period of activity following conversion*

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)****CASH FLOW STATEMENT  
for the year ended 31 August 2013**

	Notes	2013 £	2012 £ *
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the year		137,405	14,347,200
Depreciation		396,094	355,242
Capital grant income		(419,395)	(74,386)
Investment income receivable		(2,337)	(937)
Non-cash movement – Inherited fixed assets		-	(14,545,135)
Non-cash movement – Inherited pension deficit		-	534,000
FRS17 pension cost less contributions payable		(20,000)	(9,000)
FRS17 pension finance costs		21,000	24,000
Increase in debtors		(101,134)	(86,881)
Increase in creditors		32,712	383,600
		<u>44,335</u>	<u>927,703</u>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Investment income received		2,337	937
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		(68,479)	(31,458)
Capital grant income		419,395	74,386
		<u>350,916</u>	<u>42,928</u>
<b>INCREASE IN CASH</b>	<b>8 &amp; 9</b>	<u>397,588</u> =====	<u>971,568</u> =====

All of the Academy Trust's cash flows for the previous period arose from the Academy Trust's acquired operations

Cash balances of £458,887 arising in the previous period were acquired upon conversion to academy status

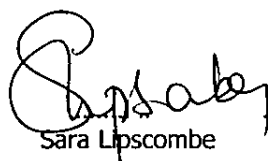
*\* Figures for the comparative period comprise the 11 month period of activity following conversion*

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)****BALANCE SHEET  
as at 31 August 2013**

Company number 07768726

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	10	13,893,746	14,221,351
<b>CURRENT ASSETS</b>			
Debtors	11	188,015	86,881
Cash at bank and in hand		1,369,156	971,568
		<u>1,557,171</u>	<u>1,058,449</u>
<b>CREDITORS</b> Amounts falling due within one year	12	(416,312)	(383,600)
<b>NET CURRENT ASSETS</b>		<u>1,140,859</u>	<u>674,849</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>15,034,605</u>	<u>14,896,200</u>
Pension scheme liability	13	(593,000)	(599,000)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u>14,441,605</u>	<u>14,297,200</u>
		=====	=====
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted fixed assets funds</b>	14	13,893,746	14,221,351
<b>Restricted general funds</b> – LGPS deficit fund	14	(593,000)	(599,000)
<b>Restricted general funds</b> – other	14	216,121	75,685
<b>Unrestricted income funds</b>	14	924,738	599,164
<b>TOTAL FUNDS</b>	15	<u>14,441,605</u>	<u>14,297,200</u>
		=====	=====

The financial statements on pages 18 to 41 were approved by the directors and authorised for issue on 13 December 2013, and are signed on their behalf by

 . Chair  
Sara Lipscombe

13 December 2013

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **Financial statements for the year ended 31 August 2013**

#### **ACCOUNTING POLICIES**

---

##### **BASIS OF ACCOUNTING**

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

##### **GOING CONCERN**

After making appropriate enquiries, the directors have a reasonable expectation that Bourne Education Trust has adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of approval of these financial statements. For this reason, the Academy Trust continues to adopt the going concern basis in preparing the financial statements.

##### **INCOMING RESOURCES**

Grants receivable for tuition and other wider educational activities, other operating income, rental income, and investment income are accounted for on an accruals basis. Income is recognised as receivable when earned by the Academy Trust.

General donations and other similar types of voluntary income are brought into account when received, except that donated income is included gross of any attributable tax recoverable, where relevant. Donated assets, donated services and gifts in kind are recognised in the statement of financial activities at their fair value to the Academy Trust in the period in which they are receivable, and where the benefit to the Academy Trust is both quantifiable and material.

Other sources of income, including the hire of facilities, are recognised in the period in which they are receivable and to the extent the goods have been supplied or the service has been completed.

All sources of income given for specific purposes are treated as restricted income.

##### **RESOURCES EXPENDED**

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by or services performed for the Academy Trust are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability. Resources expended are therefore generally recognised in the period in which they are incurred and include any elements of irrecoverable Value Added Tax.

Resources expended are allocated to the Academy Trust's principal activity, to the costs of generating funds or to governance costs, where the costs involved can be identified as being directly related to those categories. All other costs are categorised as support costs and are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Governance costs are the costs associated with running the Academy Trust as an academy trust, and in particular include a proportion of staff costs and direct legal and professional support costs, including audit fees.

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **Financial statements for the year ended 31 August 2013**

#### **ACCOUNTING POLICIES**

---

##### **TAXATION**

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

##### **TANGIBLE FIXED ASSETS**

All tangible assets purchased that have a cost that exceeds £2,000 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 25 to 50 years
Plant and machinery	over 3 to 10 years

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 fund through the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund through the statement of financial activities over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

##### **PENSION BENEFITS**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme England and Wales ("TPS") and the Surrey Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, which 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. As stated in Note 13, 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.



## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **Financial statements for the year ended 31 August 2013**

#### **ACCOUNTING POLICIES**

---

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.

#### **LEASED ASSETS AND OBLIGATIONS**

All of the Academy Trust's leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

#### **FUND ACCOUNTING**

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the Academy Trust.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the directors. The use of designated funds remains at the discretion of the directors.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements.

#### **CONVERSION TO AN ACADEMY TRUST**

The conversion from a state funded foundation 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 upon conversion from the foundation school, Epsom and Ewell High School, to the 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 Coketown Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the statement of financial activities and analysed under unrestricted, restricted general and restricted fixed asset funds.

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**1 GENERAL ANNUAL GRANT (GAG)**

Under its funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2013 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 Trust has not exceeded these limits during the year ended 31 August 2013.

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2013</b>	<b>Total 2012</b>
	£	General £	Fixed Assets £	£	£
<b>2 VOLUNTARY INCOME</b>					
Assets and liabilities inherited upon conversion					
Agreed cash settlements	-	-	-	-	458,887
Fixed assets inherited	-	-	-	-	14,545,135
Local government pension scheme deficit	-	-	-	-	(534,000)
	-	-	-	-	14,470,022
Capital grant funding	-	419,395	-	419,395	66,385
	-	419,395	-	419,395	14,536,407
=====					
<b>3 ACTIVITIES FOR GENERATING FUNDS</b>					
Sundry lettings and hire of facilities	27,946	-	-	27,946	26,036
	=====			=====	=====
<b>4. INVESTMENT INCOME</b>					
Bank interest receivable on short term cash deposits	2,337	-	-	2,337	937
	=====			=====	=====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total</b>	<b>Total</b>
	£	General £	Fixed Assets £	2013 £	2012 £
<b>5 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS</b>					
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	4,428,749	-	4,428,749	3,961,974
Rates and insurance income	-	74,007	-	74,007	72,415
Academy set up grant fund	-	-	-	-	25,000
Multi-academy trust set up and improvement grant funding	-	171,000	-	171,000	-
16-19 Bursary income	-	4,079	-	4,079	2,185
Other government grants					
Special Educational Needs income	-	207,947	-	207,947	72,393
Pupil Premium and Learning Support Unit income	-	133,476	-	133,476	29,184
Golden Hello income	-	11,260	-	11,260	33,339
Graduate Teacher Placement income	-	30,600	-	30,600	59,400
School Games Organiser income	-	11,075	-	11,075	37,600
Other Academy Trust income:					
Other educational income	411,857	-	-	411,857	302,281
	<b>411,857</b>	<b>5,072,193</b>	<b>-</b>	<b>5,484,050</b>	<b>4,595,771</b>
	=====	=====	=====	=====	=====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

	<b>Academy Trust's educational operations</b>	<b>Governance costs</b>	<b>Total 2013</b>	<b>Total 2012</b>
	£	£	£	£
<b>6 RESOURCES EXPENDED</b>				
Direct costs				
Teaching and educational support staff costs	3,319,454	-	3,319,454	2,835,174
Depreciation – owned assets	396,084	-	396,084	355,242
Technology costs				
Operating leases – plant and machinery	101,239	-	101,239	101,239
Other costs	89,094	-	89,094	42,303
Education supplies	70,598	-	70,598	175,656
Examination fees	95,037	-	95,037	114,096
Staff development	15,726	-	15,726	20,023
Other direct costs	50,117	-	50,117	90,737
	<u>4,137,339</u>	<u>-</u>	<u>4,137,339</u>	<u>3,734,470</u>
Allocated support costs				
Support staff costs	333,681	17,562	351,243	351,331
Recruitment and retention	16,202	-	16,202	23,827
Maintenance of premises and equipment	617,202	-	617,202	180,827
Cleaning	81,205	-	81,205	75,045
Rent, rates and utilities	116,132	-	116,132	96,104
Insurance	52,691	-	52,691	48,289
Trip expenditure	83,963	-	83,963	84,283
Catering	51,066	-	51,066	17,285
Net finance expense on pension scheme assets and liabilities – see note 13	21,000	-	21,000	24,000
Professional fees and consultancy	51,863	22,753	74,616	98,553
Auditor's remuneration				
Audit fees	-	16,925	16,925	8,900
Accountancy and advisory services	3,237	3,237	6,474	3,500
Other support costs	170,254	-	170,254	65,688
	<u>1,598,507</u>	<u>60,477</u>	<u>1,658,984</u>	<u>1,077,482</u>
	<u>5,735,846</u>	<u>60,477</u>	<u>5,796,323</u>	<u>4,811,951</u>
	=====	=====	=====	=====

The Academy Trust strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved and/or the nature of the cost. Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £16,925 (2011/2012 £8,900) and amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £6,474 (2011/2012 £3,500)

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

	<b>2013</b>	<b>2012</b>
<b>7 STAFF COSTS</b>		
	No	No
The average monthly number of persons employed by the Academy Trust (excluding directors) during the year was as follows		
Teaching	83	80
Premises	3	2
Support	8	8
	<u>94</u>	<u>90</u>
	===	===
	£	£
Staff costs for the above persons		
Wages and salaries	3,043,009	2,644,970
Social security costs	228,192	205,895
Pension costs - defined benefit schemes		
Teachers' Pension Scheme	292,682	271,212
Local Government Pension Scheme	116,814	64,428
	<u>3,670,697</u>	<u>3,186,505</u>
	=====	=====
	No	No
The number of employees whose emoluments fell within the following bands was:		
£60,001 to £70,000	1	-
£90,001 to £100,000	-	1
£110,001 to £120,000	1	-
	=====	=====

The Academy Trust made contributions to the Teachers' Pension Scheme on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the period amounted to £25,923 (2012 £13,387)

No other member of staff received total emoluments in excess of £60,000 during the current period

**DIRECTORS' REMUNERATION AND EXPENSES**

In addition to being the Accounting Officer (and also a director), Alex Russell was the Executive Headteacher. In respect of his role as Executive Headteacher, he received emoluments for qualifying services amounting to £120,000 (2012 £94,942), and the Academy Trust incurred pension costs of £16,920 (2012 £13,387) in respect of the pension benefits accruing to him under the Teachers' Pension Scheme

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**7 STAFF COSTS (Continued)**

In addition to being directors, Matt Gibson and Claire Spain were also members of staff. In respect of their role as members of staff, these directors received aggregate emoluments for qualifying services during the year amounting to £81,322 (2011/2012 £73,252), and in that same period, the Academy Trust incurred aggregate pension costs of £Nil (2011/2012 £Nil) in respect of the pension benefits accruing to them.

Other than as disclosed above, none of the directors received any remuneration for services as a trustee of the charity or as a director of the company during the current or previous period. None of the directors received reimbursement for travel expenses incurred in relation to the Academy Trust during the period.

**DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect directors, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance arranged through Brit Insurance provides cover of up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was included within the premium for the commercial combined policy and is not separately identifiable.

	2013 £	2012 £
<b>8 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>		
Increase in cash in the period	397,588	971,568
Other non-cash changes	-	-
<b>CHANGE IN NET FUNDS</b>	397,588	971,568
Net funds at 1 September 2012	971,568	-
<b>NET FUNDS AT 31 AUGUST 2013</b>	1,369,156 =====	971,568 =====

**9 ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2012 £	Cash flows £	Other non-cash changes £	31 August 2013 £
Cash in hand, at bank	971,568	397,588	-	1,369,156
<b>NET FUNDS</b>	971,568 =====	397,588 =====	- =====	1,369,156 =====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**10 TANGIBLE ASSETS**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>TOTAL £</b>
Cost			
1 September 2012	14,545,135	31,458	14,576,593
Additions	-	68,479	68,479
31 August 2013	14,545,135	99,937	14,645,072
Depreciation			
1 September 2012	347,540	7,702	355,242
Charge in the year	393,330	2,754	396,084
31 August 2013	740,870	10,456	751,326
Net book value			
31 August 2013	13,804,265	89,481	13,893,746
	=====	=====	=====
31 August 2012	14,197,595	23,756	14,221,351
	=====	=====	=====

The freehold land and buildings inherited by the Academy Trust upon conversion were valued at £14,545,135 on an existing use value basis and a depreciated replacement cost basis by DVS Property Specialists

	<b>£</b>
The cost of the above tangible assets was funded by	
Fixed assets inherited upon conversion	14,545,135
General Annual Grant	22,489
Capital grants	77,448
	<b>14,645,072</b>
	=====

	<b>2013 £</b>	<b>2012 £</b>
<b>11 DEBTORS</b>		
Amounts falling due within one year		
Trade debtors	42,623	36,022
Other debtors	91,486	40,588
Prepayments and accrued income	53,906	10,271
	<b>188,015</b>	<b>86,881</b>
	=====	=====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>12 CREDITORS</b>		
Amounts falling due within one year		
Trade creditors	90,858	97,069
Other tax and social security costs	62,417	75,528
Pension contributions payable	48,980	50,844
Other creditors	1,278	-
Accruals	195,658	156,080
Deferred income	17,121	4,079
	<u>416,312</u>	<u>383,600</u>
	=====	=====
Deferred income reconciliation		
Deferred income brought forward at 1 September	4,079	-
Income released to the statement of financial activities	(4,079)	-
Income received in advance	17,121	4,079
	<u>17,121</u>	<u>4,079</u>
	=====	=====
Deferred income carried forward at 31 August		

**13. PENSION AND SIMILAR OBLIGATIONS**

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

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 2010.

There were no prepaid pension contributions at either the beginning or the end of the financial year and pension contributions payable as at 31 August are disclosed in note 12 above.

**Teachers' Pension Scheme**

The TPS is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.



## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013**

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#### **13 PENSION AND SIMILAR OBLIGATIONS (Continued)**

##### Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

##### Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

The pension costs paid to TPS in the year amounted to £292,682 (2012: £271,212).

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013**

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#### **13 PENSION AND SIMILAR OBLIGATIONS (Continued)**

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

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

The Academy Trust is, however, able to identify its share of the underlying assets and liabilities of the Surrey Local Government Pension Scheme (LGPS), and therefore, the accounting principles relevant to defined benefit pension schemes are applicable. The amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the accounting period, adjusted to reflect variations from that cost. The interest cost and expected return on the underlying assets and liabilities of the pension scheme are treated as a net finance income or expense for the period.

Full actuarial valuations, carried out by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The underlying assets of the pension scheme are measured at fair value, and the underlying liabilities are measured using the projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency.

A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by a reduction in future contributions or to the extent that the trustees of the pension scheme have agreed a refund from the pension scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the Academy Trust has a legal or constructive obligation to settle that liability. The effect of actuarial gains and losses on the Academy Trust's pension scheme asset or liability is therefore reflected annually in the balance sheet and through the statement of financial activities.

The Academy Trust's LGPS obligation relates to the employees of the Academy Trust, who transferred into the Academy Trust as part of the conversion process for the school and thereafter new employees who were eligible to, and did, join the scheme in the accounting 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 latest actuarial valuation dated 31 March 2010 has been updated to take account of the requirements of Financial Reporting Standard 17 Retirement Benefits in order to assess the liabilities of the scheme as at 31 August 2013. Scheme assets are stated at their fair value.

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

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**13 PENSION AND SIMILAR OBLIGATIONS (Continued)**

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

The employer contribution rate has been set at 26.5% of pensionable salary with an equivalent employee contribution rate which is variable by salary and by employee. On that basis, the anticipated employer payments required to be made to the scheme in the coming year amount to £134,000 (Expected for the year ended 31 August 2013: £125,000)

The major assumptions used by the actuary were

	<b>2013</b>	<b>2012</b>
Rate of increase in salaries	5.1%	4.5%
Rate of increase in pensions in payment	2.8%	2.2%
Discount rate	4.6%	4.1%
Inflation assumption - rpi	2.9%	2.9%
- cpi	2.1%	2.1%
	=====	=====

In the June 2010 Emergency Budget, the government announced that public sector pension increases would in the future be linked to the consumer prices index (cpi) rather than the retail prices index (rpi). The government has since formally implemented this proposal and a legal challenge was rejected. The assumption regarding future pension increases is therefore linked to cpi. It is currently estimated that cpi will on average be approximately 0.8% below rpi, but recent developments suggest this gap may close over time due to planned changes in the way in which cpi and rpi are calculated.

As a new employer within the scheme, the charitable company has been unaffected by the change from rpi to cpi.

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

	<b>2013</b>	<b>2012</b>
Retiring today –		
Males	21.9 years	21.9 years
Females	24.0 years	24.0 years
Retiring in 20 years –		
Males	23.9 years	23.9 years
Females	25.9 years	25.9 years
	=====	=====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**13 PENSION AND SIMILAR OBLIGATIONS (Continued)**

The assets in the scheme and the expected rate of return were

	<b>Expected return on total assets at 31 August 2013</b>	<b>Value at 31 August 2013</b>		<b>Expected return on total assets at 31 August 2012</b>	<b>Value at 31 August 2012</b>	
		£'000	%		£'000	%
Equities	6.6%	341	(76%)	5.5%	177	(72%)
Bonds	3.8%	76	(17%)	3.4%	46	(19%)
Property	4.7%	22	(5%)	3.7%	12	(5%)
Cash	3.6%	9	(2%)	2.8%	10	(4%)
Total market value of assets		448			245	
Present value of scheme liabilities		(1,041)			(844)	
Deficit in the scheme		(593)			(599)	
		=====			=====	

**2013**  
**£'000**

**2012**  
**£'000**

Analysis of the amount charged to the statement of financial activities -

As staff costs		
Current service cost	107	63
Past service cost	-	-
Total operating charge	107	63
As finance expense		
Expected return on assets	(16)	(9)
Interest on liabilities	37	33
Net finance expense	21	24
Total pension costs	128	87
	=====	=====

The net actuarial gains for the current period end to date are recognised in the statement of financial activities

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**13 PENSION AND SIMILAR OBLIGATIONS (Continued)**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Analysis of changes in the present value of defined benefit obligations		
Opening defined benefit obligations	844	-
Upon conversion to academy status	-	663
Employee contributions	30	21
Current service cost	107	63
Past service cost	-	-
Interest on liabilities	37	33
Actuarial experience losses	23	64
Benefits paid	-	-
Closing defined benefit obligations	<u>1,041</u>	<u>844</u>
	=====	=====
Analysis of changes in the fair value of plan assets.		
Opening fair value of assets	245	-
Upon conversion to academy status	-	129
Employer contributions	127	72
Employee contributions	30	21
Expected return on assets	16	9
Actuarial experience gains	30	14
Benefits paid	-	-
Closing fair value of assets	<u>448</u>	<u>245</u>
	=====	=====
The actual return on plan assets was £45,000 (2011/2012 £23,000).		
Experience adjustments are as follows		
Amounts for the period		
Plan assets at fair value	448	245
Defined benefit obligation	(1,041)	(844)
Deficit	<u>(593)</u>	<u>(599)</u>
	=====	=====
Experience adjustments on plan assets	30	14
	=====	=====
Experience adjustments on plan liabilities	(23)	(64)
	=====	=====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**14 FUNDS OF THE ACADEMY TRUST**

	<b>1 September 2012</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Actuarial gains</b>	<b>Transfers between funds</b>	<b>31 August 2013</b>
	£	£	£	£	£	£
<b>Restricted fixed assets funds:</b>						
Inherited fixed assets fund	14,197,595	-	(393,330)	-	-	13,804,265
General Annual Grant fixed assets fund	17,714	-	(1,215)	-	-	16,499
Capital grant fixed assets fund	6,042	-	(1,539)	-	68,479	72,982
	<u>14,221,351</u>	<u>-</u>	<u>(396,084)</u>	<u>-</u>	<u>68,479</u>	<u>13,893,746</u>
<b>Restricted general funds:</b>						
General Annual Grant fund	-	4,428,749	(4,338,860)	-	(48,837)	41,052
LGPS deficit fund	(599,000)	-	(1,000)	7,000	-	(593,000)
Capital grants fund	66,385	419,395	(399,951)	-	(68,749)	17,350
Rates and insurance fund	2,986	74,007	(76,137)	-	-	856
Multi-academy trust set up and improvement fund	-	171,000	(23,943)	-	-	147,057
Special Educational Needs fund	-	207,947	(210,356)	-	2,409	-
Pupil Premium and Learning Support Unit fund	-	133,476	(173,650)	-	40,174	-
Golden Hello fund	-	11,260	(11,260)	-	-	-
16-19 Bursary fund	6,314	4,079	(586)	-	-	9,807
Graduate Teacher Placement fund	-	30,600	(36,854)	-	6,254	-
School Games Organiser fund	-	11,075	(11,075)	-	-	-
	<u>(523,315)</u>	<u>5,491,588</u>	<u>(5,283,673)</u>	<u>7,000</u>	<u>(68,479)</u>	<u>(376,879)</u>
<b>Unrestricted income funds:</b>						
General fund	599,164	442,140	(116,566)	-	-	924,738
	<u>14,297,200</u>	<u>5,933,728</u>	<u>(5,796,323)</u>	<u>7,000</u>	<u>-</u>	<u>14,441,605</u>
	=====	=====	=====	=====	=====	=====

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

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**14 THE FUNDS OF THE ACADEMY (Continued)**

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the Academy Trust site including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The General Annual Grant fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The Capital grant fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust that has been provided to the Academy Trust via the Education Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant fund has been set up because the GAG must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the GAG that it could carry forward at 31 August 2013. Note 1 discloses whether the limit was exceeded.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the Academy Trust. Transfers are made to the Capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

The Rates and insurance fund has been created to recognise the restricted funding received from the Department for Education to cover the cost to the academy of rates and insurance.

The Multi-academy trust set up and improvement fund has been created to recognise the restricted grant funding received from the Department for Education to assist with the costs incurred by the Academy Trust during the process of setting up the multi-academy model and assisting the conversion to academy status and future improvement of incoming schools to the group.

The Special Educational Needs fund has been created to recognise all restricted income from various sources that is intended to be used to partially fund the additional costs incurred by the Academy Trust in meeting the additional educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

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**14 THE FUNDS OF THE ACADEMY (Continued)**

The Pupil Premium and Learning Support Unit fund has been created to separately recognise the specific restricted income from various sources that is intended to be used to partially fund the additional costs incurred by the Academy Trust in meeting the additional educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The Golden Hello fund has been created to recognise restricted funding provided to the Academy Trust with which to reward teachers eligible for the Golden Hello scheme who join the teaching body of the Academy Trust. The funding received is paid out to teachers through the payroll on receipt of funding from the Training & Development Agency for Schools.

The 16-19 Bursary fund has been created to recognise restricted funding which enables the Academy Trust to provide mandatory bursaries under the Department for Education scheme for certain categories of qualifying student as well as discretionary payments awarded by the governors to other students in need of support.

The Graduate Teacher Placement fund has been created to recognise funding received to support the salary costs of Graduate Teacher Programme individuals employed by the Academy Trust. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The School Games Organiser fund has been created to recognise restricted funding provided jointly by the Department of Health and Sport England for two years starting from September 2011. Jointly with other local schools this funding supports the employment of a School Games Organiser through Active Surrey.



**BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2013**

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible assets £</b>	<b>Net current assets £</b>	<b>Pension scheme liability £</b>	<b>Total £</b>
<b>Restricted fixed assets funds:</b>				
Inherited fixed assets fund	13,804,265	-	-	13,804,265
General Annual Grant fixed assets fund	16,499	-	-	16,499
Capital grants fixed assets fund	72,982	-	-	72,982
<b>Restricted general funds:</b>				
General Annual Grant fund	-	41,052	-	41,052
LGPS deficit fund	-	-	(593,000)	(593,000)
Capital grants fund	-	17,350	-	17,350
Rates and insurance fund	-	856	-	856
Multi-academy trust set up and improvement fund	-	147,057	-	147,057
16-19 Bursary fund	-	9,807	-	9,807
<b>Unrestricted income funds:</b>				
General fund	-	924,738	-	924,738
<b>NET ASSETS</b>	<b>13,893,746</b>	<b>1,140,859</b>	<b>(593,000)</b>	<b>14,441,605</b>
	=====	=====	=====	=====

**16 MEMBERS' LIABILITY**

Bourne Education Trust is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

**17 CAPITAL COMMITMENTS**

At the balance sheet date, the Academy Trust had capital commitments amounting to £19,460 (2012: £Nil) in respect of the installation of electronic gates for the Academy Trust's premises at Epsom & Ewell High School. The directors had also authorised but not contracted for further spending in respect of the continuing site refurbishments project.

**18 FINANCIAL OPERATING LEASE COMMITMENTS**

	<b>2013 £</b>	<b>2012 £</b>
At 31 August, the Academy Trust had annual commitments under non-cancellable operating leases as follows:		
In respect of plant and machinery leases -		
expiring within one year	12,590	94,984
expiring within two to five years	14,189	26,778
	=====	=====

## **BOURNE EDUCATION TRUST (formerly Epsom and Ewell High School)**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013**

#### **19 RELATED PARTY TRANSACTIONS**

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

No such transactions have been identified for the year ended 31 August 2013 (2012: None)

#### **20 POST BALANCE SHEET EVENTS**

On 1 September 2013, Jubilee High School joined the new multi-academy trust structure, and on 1 December 2013, Pyrcroft Grange Primary School also converted to academy status within the Academy Trust's control.

#### **21 CONVERSION TO ACADEMY TRUST**

On 1 October 2011, the Epsom and Ewell High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from Surrey County Council for £Nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	<b>Year Ended 31 August 2012</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2012</b>
	£	General Fixed Assets £	£	£
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Voluntary income				
Tangible fixed assets				
Freehold land and buildings	-	-	14,545,135	14,545,135
Other assets	-	-	-	-
Cash at bank and in hand	446,516	12,371	-	458,887
LGPS pension deficit	-	(534,000)	-	(534,000)
<b>NET ASSETS</b>	<b>446,516</b>	<b>(521,629)</b>	<b>14,545,135</b>	<b>14,470,022</b>
	=====	=====	=====	=====