

Registered company number: 07768726 (England and Wales)

BOURNE EDUCATION TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

TUESDAY



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BOURNE EDUCATION TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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BOURNE EDUCATION TRUST

TRUSTEES' REPORT

The trustees present their report and the financial statements of Bourne Education Trust (referred to as the "Academy Trust") for the year ended 31 August 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

With effect from 1 September 2013, the Academy Trust became a Multi Academy Trust comprising from 1 September 2013, both Epsom & Ewell High School and Jubilee High School. Pyrcroft Grange Primary School joined the Academy Trust on 1 December 2013, Sythwood Primary School and Children's Centre joined the Academy Trust on 1 January 2014, Sayes Court Primary School joined the Academy Trust on 1 June 2014, The Matthew Arnold School joined the trust on 1st December 2014 and Brookwood Primary School on 1st December 2015. Auriol Junior School joined the school during the financial year on 1st May 2017.

The Academy Trust is led by the board of trustees who are also the directors of the charitable company and who have held office since 1 September 2016 as follows:

Sara Lipscombe	Chair	
Alex Russell	Chief Executive Officer & Accounting Officer	
Chris Marston	Director	Resigned 23rd September 2016, reappointed 7th July 2017
Chris Munro	Director	
Tony Oakden	Director	Resigned 7th July 2017
Sue Tresilian	Director	Resigned 7th July 2017
Audrey Wade	Director	
John Winter	Director	Resigned 7th July 2017
Peter Deane	Director	Appointed 7th July 2017
Stephen Dennison	Director	Appointed 7th July 2017
Susan Gibbin	Director	Appointed 7th July 2017
Liz Hughes	Director	Appointed 7th July 2017

The members of the company are:

Sara Lipscombe	Member	
Tony Oakden	Member	
Alan Richardson	Member	Appointed 7th July 2017
John Stockley	Member	Appointed 7th July 2017
Sue Tresilian	Member	Appointed 7th July 2017
Chris Marston	Member	Resigned 7th July 2017
Chris Munro	Member	Resigned 7th July 2017
Audrey Wade	Member	Resigned 7th July 2017

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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 Academy Trust has registered with HM Revenue and Customs as a charitable entity under the reference number XT35927. The company is incorporated in England and Wales with the company registration number 07768726.

The trustees have made the following professional appointments:

Accountant:	UHY Hacker Young LLP Quadrant House, 4 Thomas Moore Square London E1W 1YW
Auditors	UHY Hacker Young LLP Quadrant House, 4 Thomas Moore Square London E1W 1YW
Banker	Lloyds Bank plc, 402-404 Ewell Road, Tolworth, Surbiton KT6 7HF

During 2016/2017, in addition to the Chief Executive Officer, the following other key senior members of staff were responsible for the day-to-day management of the Academy Trust:

Kate Sanders	Director of Finance & Operations and Company Secretary
Katy Backinsell	Trust Accountant
Steve Price	Executive Headteacher, Sayes Court Primary School & Headteacher, Jubilee High School
Zelia Munnik	Headteacher Designate, Chertsey High School
Sue Nardoni	Headteacher, Pyrcroft Grange Primary School
Sue Tresilian	Headteacher, Sythwood Primary School & Children's Centre (retired 31 August 2017)
Rochelle Richmond	Headteacher, Sayes Court Primary School & Children's Centre
Mary Gould	Headteacher, The Matthew Arnold School
Jo Green	Headteacher, Brookwood Primary School & Children's Centre
Many McDowall	Headteacher, Auriol Junior School

The Trust has also appointed a Primary Coordinator, Gayle Jenkins, Headteacher of Meadow Primary School.

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TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

Bourne Education Trust is an exempt charity and a company limited by guarantee, not having share capital.

The principal activity of the Academy Trust is to run a multi-academy structure comprising primary and secondary schools and Children's Centres for boys and girls located in Surrey.

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 and again dated 14 February 2017.

Members' Liability

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.

Organisational Structure

The management structure of the Bourne Education Trust consists of five levels: the Academy Trust board, the local Governing Bodies, the Executive Group (of Headteachers in the Trust, the Director of Finance and the Primary Coordinator), 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 trustees of the Academy Trust board fulfil a strategic role. They monitor the performance of individual schools in the Academy Trust against key performance indicators and appropriate schemes of delegation. Intervention in individual schools within the Academy Trust is driven by performance against the key performance indicators and on the advice of the Chief Executive Officer. In accordance with the requirements of the AFH 2016, there are five members of whom only one is also a director and no members are trust employees.

The governors on the local Governing Bodies fulfil a largely strategic role in relation to their local schools. 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 trustees of the Academy Trust have been supported by the Chief Executive Officer, the Director of Finance & Operations and the Clerk to the Board.

The Executive group represents the operational leadership of the schools; contributing to and informing the strategic decisions of the trust and working together to implement those decisions. They ensure that best value is achieved in the resources of the trust identifying opportunities for collaborative working and supporting the developmental needs of the schools within the trust.

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.

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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 Academy Trust or local Governing Bodies and the headteachers are responsible. Some spending control is devolved to members of senior leadership team and appointed budget holders.

The middle leadership teams 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.

Arrangements for setting pay and remuneration of key management personnel

All senior staff in the Bourne Education Trust are set targets on which their reviews are based. These targets are generated by the line manager in consultation with the member of staff concerned. Appropriate objectives are the keystone of managing the trust's and/or school's progress and managing the headteacher/senior executive. The trust and/or school aims to ensure there is both breadth and precision in the objectives, with the quality of performance information and engagement of stakeholders stated in the setting of the objectives. The trust and school aims to set ambitious objectives to serve external accountability and to visibly demonstrate progress.

An appraisal panel appointed by the governing body annually reviews the performance of each headteacher in the trust. This usually consists of three governors such as the chair of governors, the chair of the committee that oversees staffing and/or finance and one other governor who has particular expertise in performance management and/or education. The work of the appraisal panel results from a wider set of interactions including but not limited to termly headteacher performance management leading up to and beyond the formal annual review. There is a standard process:

- An external adviser is commissioned (in the Bourne Education Trust this is usually the CEO).
- The appraisal panel meets to discuss points to raise.
- The external advisor meets with the headteacher.
- The external advisor, headteacher and appraisal panel meet together.
- The headteacher and appraisal panel meet.
- The external advisor summarises the results of the meetings in a review document.
- The appraisal panel makes recommendations about headteacher pay for a pay review panel of other governors to make a decision about.

The performance of the senior central trust staff follows much the same process with an agreed policy in place and performance appraised against the targets by the Chair of the Board with the support of the line manager. This is reviewed by an appraisal panel consisting of a minimum of two directors (although three are preferred).

In decisions about the pay to be awarded to senior managers the aim is to maintain objectivity and fairness, while remembering that the needs of the trust/school come first. Where possible, the trust/school establishes relevant salary benchmarks such as:

- Pay awards in similar organisations as stated in their financial accounts
- Recommendations of the School Teachers' Pay and Conditions Document (STPCD)
- The pay relativities between schools in the trust, other local similar institutions and between the senior staff member and other staff member

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Method of Recruitment, Appointment, Election, Induction & Training of Directors and Senior Management

During the year 2016-2017, the board of the Academy Trust comprised the Chief Executive Officer, the Chair, representatives from the schools in the Academy Trust and independent directors. A skills audit carried out in September 2016 had identified skills gaps in the areas of governance and compliance. The trust also identified that it was not meeting the DfE's latest recommendations relating to the composition of trust boards and worked towards this during 2016-2017. Using Academy Ambassadors, the Chair identified and the board appointed four independent directors with the relevant skills. One member who was also a director resigned as a director and three new members were appointed with business and education experience.

The local 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 local 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.

It is the trust's policy to advertise nationally all vacancies for Headteachers. During 2016-2017 the trust has recruited and selected the Headteacher for Sayes Court Primary School.

Auditor

The trust retendered for audit services during 2015 and appointed UHY Hacker Young LLP, Quadrant House, 4 Thomas Moore Square, London E1W 1YW as its auditors for a minimum period of three years with an option for a further two year extension which has been exercised by the Trust.

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.

Directors' Responsibilities in the Preparation of Financial Statements

The directors (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the directors' annual report and the financial statements in accordance with the Academies Accounts Direction published 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:

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- 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 and Skills Funding Agency (ESFA) 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 widespread Academy trust practice, the Academy Trust has purchased cover to protect directors, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. This has been arranged with effect from 1st September 2016 through the government's Risk Protection Arrangement (RPA). This provides unlimited cover in respect of professional indemnity insurance. The cost for the year ended 31 August 2017 was levied at a cost of £20 per pupil within the total costs of the RPA and is not separately identifiable.

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

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- 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. In addition, the Academy Trust promotes recreational facilities to improve the condition of life for local residents. The details of the objectives, strategies and activities of each school within the multi-academy trust 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.

Connected Organisations, Including Related Party Relationships

Epsom & Ewell High School continues to host the Epsom & Ewell Confederation with a bespoke training room to provide training for the local primary and secondary schools and to work with the Epsom, Ewell and Banstead 11-19 Network. Jubilee High School continues to host the Runnymede South Confederation and provides a small administrative office and access to the schools meeting rooms to support training for the local primary schools within the group. The Trust is part of a group of schools supporting the Schools Direct programme with St John the Baptist, Woking as the lead school and St Mary's University College, Twickenham as the ITT provider. The Trust has a school to school support arrangement with Salesian School, Chertsey who as a National Teaching School will also provide training support for groups of teaching staff across the Trust.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Growth of the Academy Trust

The Bourne Education Trust grew during 2016-2017 to include Auriol Junior School. The trust was joined on the 1st September 2017 by two schools: Chertsey High School, the trust's free school opened on 1st September on time and Everest Community Academy was re-brokered from Academies Enterprise Trust (AET) to join the Bourne Education Trust (BET). The Trust is now responsible for the education of approximately 4400 children and employment of 700 staff.

The Bourne Education Trust ensures that high quality teaching and support staff are employed and we work continually to improve teaching and learning. We review staffing requirements a minimum of a year ahead allowing for early recruitment and efficient budgeting. The staff meets 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. Training is delivered by the leadership team and/or identified lead practitioners within the Trust without the need for outside consultants.

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Collaboration extends beyond the Trust. We regularly meet with secondary and primary networks/confederations which allows us to share best practice and training and ensure the best use of funding. We have extended the facilities of an office and training room to the Epsom and Ewell Confederation on the Epsom and Ewell High School site which has allowed the local schools to tailor sessions to the needs of the local schools and community.

To ensure that standards are continually raised, the schools operate within a Trust wide improvement framework that is directly linked to its strategic objectives and individual schools' development plans. The intervention work of the Trust and the progress being made by each school towards its key performance indicators and agreed targets is quality assured by an external Trust secondary improvement partner and the primary lead. Schools report to the Trust's performance and standards committee termly and the chief executive office and primary lead half-termly.

Auriol Junior School

The school joined the Trust on 1 May 2017 as a converter academy. Graded as a good school in May 2015 the school has continued to perform strongly under its new headteacher who was appointed in September 2016. In this summer's standard assessment tests, it performed well above the national average in all disciplines. The school has a hearing impaired unit and works closely with Epsom and Ewell High School that has the secondary unit and for which it is a main feeder school.

Brookwood Primary School

The school joined the Trust on the 1 December 2015 as a sponsored primary academy. Graded as a good school by Ofsted just prior to joining its performance this summer was very strong and well above the national average at both key stages 1 and 2. This is a significant improvement on previous years and reflects the headteacher's relentless drive on standards and her collaborative approach with other Trust schools to support her school improvement agenda.

Epsom and Ewell High School

The school had a section 8 Ofsted inspection in May 2017 and was deemed to still be a good school. The inspection team identified a significant number of outstanding features, not least its pivotal position in leading the Trust. It continues to be a National Support School and the key strategic partner in Teach SouthEast, the Surrey based teaching school alliance.

The school is in its sixth year of operation as an academy and achieved the forecast numbers of students. Total students in the period ended 31 August 2017 numbered 900. The School has surplus places in all year groups but is now to grow rapidly. The school's pupil admission number is 240.

This summer's exam results embed school's reputation for high performance. All A level students gained their university place. The progress scores for both academic and vocational qualifications was positive and the average points score above both the Surrey and national averages. Achievement at the top end was particularly strong this year.

In the first year of the new GCSEs in English and Mathematics the school should positive progress 8 with real strength in the performance of the most able students. It met its Fisher Family Trust overall attainment targets and excelled in the English baccalaureate.

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Jubilee High School

Jubilee High School joined the Trust on 1 September 2013. In July 2015 was graded the school as 'good' in all aspects. Once again is has performed well at GCSE with a positive progress 8 score and meeting its Fisher Family Trust attainment targets. The school makes an active contribution to the work of the Trust in supporting school improvement initiatives right across it.

Pyncroft Grange Primary School

Pyncroft Grange Primary School joined the Trust on 1 December 2013 and has been completely transformed by the school's new leadership team. Effective succession planning ensured that his was continued under the new headteacher who was appointed in September 2016. The school was inspected by Ofsted in January 2017 and graded outstanding in all areas. Its performance in this summer's standard assessment tests was once again extremely strong.

Sythwood Primary School

Sythwood Primary School joined the Trust on 1 January 2014. The school underwent a section 8 Ofsted inspection in November 2016 and was found still to be good. The school's long serving headteacher retired in August 2017 and effective succession planning ensured a smooth transition to the new head of school who was promoted from her previous post as deputy head. This year the school performed above the national average in all disciplines at key stage 2.

Sayes Court Primary School

Sayes Court Primary School joined the Trust on 1 June 2014 when it was in special measures. Under the appointment of executive headteacher and a substantive headteacher from within the Trust it has been completely transformed. The school had its Ofsted inspection in June 2017 and was graded good in all areas. Furthermore, it again performed above the national average in all disciplines in this summer's standard assessment tests.

The Matthew Arnold School

The Matthew Arnold School joined the Trust on 1 December 2014 as a sponsored secondary academy. It was placed in special measures in July 2014 and deemed to require improvement in its full inspection in March 2015. During this year's Ofsted monitoring visits, it was deemed to be making effective progress towards achieving a good outcome at its next inspection, which is due in 2018. This summer it maintained its momentum in its examination results with a positive progress 8 score and attainment in line with its Fisher Family Trust targets.

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FINANCIAL REVIEW

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 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, the total expenditure of £25,171,557 (2016: £22,967,451) was less than the total of incoming resources of £38,048,251 (2016: £28,693,275) including the significant fixed assets acquired, as referred to below, allowing the Academy Trust to carry forward significant fund balances for utilisation in future years.

At 31 August 2017, due to the growth of the multi-academy structure the net book value of tangible fixed assets had grown to £71,505,369 (2016: £58,800,903) 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 the schools within the Academy Trust.

From the actuarial valuations for the year ended 31 August 2017, the FRS 17 pension deficit on the Academy Trust's proportion of the Surrey Local Government Pension Scheme had decreased from the prior year and at 31 August 2017 stood at £8,411,000 (2016: £8,377,000).

The Trust received £1,214,454 in capital funding from the ESFA on a formula basis (2016: £1,174,000 in funding through bids).

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.

The directors have determined that the appropriate level of free reserves needs to be reviewed in light of the new schools joining the Trust. It is however confident that all schools have sufficient working capital reserves to cover delays between spending and receipt of grants and to provide a cushion to cover the financial risks facing the Trust such as reductions in minimum funding guarantees, reductions in Education Services Grants, the removal of sixth form transitional protections and the anticipated reduction in sixth form numbers and funding.

As at 31 August 2017, free reserves amounted to £2,846,713 (2016: £2,570,293) 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.

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Investment Policy

The Academy Trust's bank accounts are held with Lloyds, and it operates Educational Current and Deposit accounts and School Fund Current and Deposit accounts. Schools joining the Trust have also held accounts with Barclays and HSBC during this transition period. Bourne Education Trust does not currently have any material investments. During the year the Trust invested in fixed term deposits with Lloyds bank which matured before year end.

Interest earned on bank accounts and investments during the year amounted to £6,395 (31 August 2016: £5,769).

PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which the Academy Trust is exposed are loss of key staff, shortfalls in funding which have not been anticipated, changes in funding formulas, reduction in the school roll and/or adverse Ofsted judgements.

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 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.

Risk & Corporate Governance Matters

The directors have assessed 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. Review of the Risk Register falls within the terms of reference of the Audit Committee.

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.

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. The size of the Trust means that it now receives School Condition Allocation on a formula basis and it has targeted this funding towards significant condition, health & safety and safeguarding concerns as advised by the SCA fund guidance. The Matthew Arnold School was successful in a Priority Schools Building Programme 2 bid and the feasibility stage of the project commenced in September 2016. The school has now been approved for a refurbishment programme with client engagement meetings starting with the approved contractor in November 2017.

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PLANS FOR FUTURE PERIODS (continued)

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.

Continued Growth of the Academy Trust

Four schools have approached the trust with a view to joining the trust during 2018, due diligence is underway.

Other Specific Future Plans

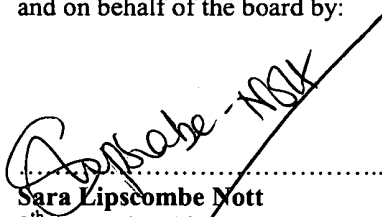
There are no other specific future plans.

FUNDS HELD AS CUSTODIAN

In addition to maintaining restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Bourne Education Trust holds 16-19 Bursary Fund monies as custodian for the Department for Education and the Education Funding Agency awarding bursaries for those in need meeting the criteria specified in the terms of this government scheme.

At the present time, the Academy Trust does not hold and the directors do not anticipate that it will in the future hold, any other funds as custodian for any other third party.

This report was approved by the Bourne Education Trust board of directors, and in their capacity as directors of the charitable company the strategic report included therein, at their meeting on 8th December 2017, and was signed for and on behalf of the board by:


..... Chair
Sara Lipscombe Nott
8th December 2017

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GOVERNANCE STATEMENT

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. He is also responsible for reporting any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Sara Lipscombe Nott	4	4
Alex Russell	4	4
Peter Deane	1	1
Stephen Dennison	1	1
Susan Gibbin	1	1
Liz Hughes	1	1
Chris Marston	4	4
Chris Munro	3	4
Tony Oakden	3	4
Sue Tresilian	0	4
Audrey Wade	3	4
John Winter	0	4
Kate Sanders (as Company Secretary)	4	4
Roger Evans (as Clerk to the Board)	4	4

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

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GOVERNANCE STATEMENT

Governance (continued)

Committee Member	Meetings attended	Out of a possible
Christine Archer	2	3
David Griffiths (resigned 29/11/16)	1	1
Chris Marston	3	3
John Stockley	3	3
Audrey Wade	2	2
Kate Sanders (in attendance)	3	3
Roger Evans (Clerk to the Committee)	3	3

The trust holds an annual meeting for governors, directors, members and senior staff of the trust to be kept up to date with developments and the strategic direction of the trust.

Review of Value for Money

As accounting officer the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. As accounting officer he understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving educational results

The Bourne Education Trust has a very good track record of improving standards in all of its schools. It makes extensive use of secondments to deploy outstanding staff to schools in need. This ensures that expertise is shared and proven systems adopted.

The Bourne Education Trust ensures that high quality teaching and support staff are employed and we work continually to improve teaching and learning. We review staffing requirements a minimum of a year ahead allowing for early recruitment and efficient budgeting. The staff meet every week for training either as a whole 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. Much of the training is delivered by the leadership team and/or identified lead practitioners within the Trust which ensures targeted training and value for money.

Collaboration extends beyond the Trust. We regularly meet with secondary and primary networks/confederations which allow us to share best practice and training and ensure the best use of funding. Two of the schools in the Trust, Epsom & Ewell High School and Jubilee High School have extended facilities of an office to their respective local confederations which has allowed the local schools to tailor sessions to the needs of the local schools and community.

To ensure that standards are continually raised schools operate programmes of self-evaluation which includes review of performance data, learning walks, observation of lessons and termly assessment of our work. Student performance is reported at least every term and the data analysed to ensure that all groups of students and departments are on track. The performance of the schools in the Trust is described in the Achievements and Performance section.

BOURNE EDUCATION TRUST

BOURNE EDUCATION TRUST

GOVERNANCE STATEMENT

The needs and progress of all schools in the Trust are kept under regular review by the Board through agreed key performance indicators. Each school's performance is measured against these terms and they assess all main aspects of each school. Between them they cover:

- Overall standards
- The quality of teaching
- The quality of learning
- Staffing
- Ethos
- Finance
- Safeguarding & Health and safety

The Trust has appointed a Primary Coordinator, Director of Finance & Operations, Trust Accountant and Trust Project Manager to work at trust level, according to a service level agreement, to support the CEO and board in ensuring the performance of schools. It has also embarked upon the development of a central IT team, currently part time but expected to grow over time. The trust also has an Executive Group made up of all its headteachers and the Director of Finance & Operations, led by the CEO, so that schools share best practice and collaborate on supporting the Trust schools. Any issues requiring additional input or information are fed back to the school's governing body through the Executive Team. The trust appointed

All schools in the Trust are held to account by its Performance and Standards Committee. This committee reports to the main Board.

Financial governance and oversight

The Board of the Bourne Education Trust has overall responsibility and ultimate decision making responsibility however there are written schemes of delegation tailored to a school's state of development, and financial policies and procedures to ensure that decisions can be made efficiently.

The governance arrangements for each school within the Trust include regular monitoring by LGBs and committees who receive detailed reports from the school's leadership. Governors are welcomed within the schools and play a very active role allowing them to make accurate judgements on information received. Budget holders and/or the senior leadership team review expenditure regularly and work with each school's Business Manager to set future budgets based on a detailed review of past costs, changes in curriculum requirements and strategies in the school improvement plan. Reserves in the Trust depend upon a review of both current and future needs mindful of the need to ensure the Trust remains a 'going concern'. The Trust is working to ensure that all the LGBs have appropriately skilled governors so that there is the appropriate level of challenge.

The Audit Committee has responsibility for making recommendations on financial reporting, internal control, risk management and external audit to assist the Trust in fulfilling its oversight responsibilities and refers major issues for ratification. During 2016-2017 internal audit investigations have been carried out by an internal audit team chosen to ensure consistency and as great a degree of independence as possible. Given the growth of the trust and the requirements to be assured of regularity and probity, the trust will be investigating the benefits of appointing external provider. The Trust is confident that the resources have been managed with regularity and propriety and this has been confirmed by unqualified audit reports for each year of academy status.

The Board monitors performance across the schools in the Trust against key performance indicators enabling benchmarking across the Trust and ensuring that it maintains a strategic role.

Procurement and cross trust collaboration

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Trust gains the required number of quotes for any purchase. In exceptional circumstances when this is not possible the reason is recorded. Each academy within the Trust assesses the cost and benefits of various options before making a decision to ensure the right option for the longer term with no supplier being chosen entirely on price. Where appropriate schools in the Trust have collaborated on cross Trust procurement or service improvements:

Governance: We identified skills gaps in the experience of Trustees in the areas of financial planning and procurement & purchasing. Through Academy Ambassadors we have recruited additional Trustees with the experience to offer robust challenge to the Trust in these areas and to expand the finance & audit committee. The trust board now has directors with the requisite skills rather than school representatives.

Income generation: We have been successful in generating income from providing services to schools and through the hire of Trust facilities and services which although deemed unrestricted income is generated to invest in better provision for our pupils. This has included IT services and provision of lead practitioners. Such work allows us to support other schools in their development and recruit additional high level staff which benefits our students whilst covering the differential in salary costs.

Policy management: The Trust schools have continued to collaborate on developing harmonised HR policies during the year. This along with support from our personnel advisor continues to support the development of the Trust's business managers.

Procurement: Following on from the establishment of a trust datacentre, trust schools have embarked on common procurement of telephony, photocopiers and safeguarding software. Apart from cost benefits these facilities allow staff to work in amore seamless fashion across the trust and sets the basis for a minimum IT standard across all trust schools. The trust has cross trust contracts in place with some key suppliers and software suppliers and will continue to develop this area.

Project Management: We have used a combination of direct quotations and quotations through a building project management company to ensure that we get best value for money in refurbishment and capital projects. The Trust is now large enough to receive its School Condition Allocation on a formula basis and has worked on a trust wide agreement for prioritising the allocation of funding (based on critical need and the SCA guidance) to ensure value for money.

Staffing: We continue to use benchmarking to ensure structures that are fit for purpose, value for money and enhanced support for pupils. There have been positive changes in finance staff that have added capacity and expertise to the Trust's constituent schools.

BOURNE EDUCATION TRUST

BOURNE EDUCATION TRUST

GOVERNANCE STATEMENT

Reviewing controls and managing risks

Frequent budget monitoring and management reports are produced and reviewed by school management, governors and board members and any necessary remedial action taken to address significant variances that may have an impact on the budget out-turn or areas of school performance. Although interest rates remain low the Bourne Education Trust is looking at investment of larger bank balances in longer term interest bearing financial structures. This redirection of spare resources will be a focus for 2017-18 taking into account future needs as outlined in the schools' reserves policies. Risk management is an area of focus by the Audit Committee who will continue to identify key areas to test across the Trust. The Trust maintains three year plans which are revisited termly.

Areas for development

The Trust has identified the following areas for development: strategy for the future development and structure of the Trust and its executive team given the likely future growth of the trust and continued harmonisation of ICT and procurement.

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 the 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 2017 and up to the date of approval of the directors' annual report and financial statements.

Capacity to Handle Risk

The Audit Committee on behalf of 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 2017 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 board 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 through agreed KPIs;
- clearly defined purchasing (asset purchase or capital investment) guidelines, delegation of authority and segregation of duties; and
- identification and management of risks by the audit committee through the risk register.

The board of directors has considered the need for a specific internal audit function and the greater freedoms of the current Academies Financial Handbook. It has established a Finance & Audit Committee and has delegated the internal audit function to the Audit Committee who agree the areas for review. The committee has carried out or commissioned reviews through the central finance team during 2016/2017, which have been reviewed by the Finance & Audit Committee. The board and the Finance & Audit Committee are investigating the option of external provision of the internal audit function.

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2017, this review has been informed by:

- the work of the internal audit team;
- advice from external specialists;
- the work of the Trust Board;
- the work of the Finance & Audit Committee;
- the work of the Performance & Standards Committee
- the work of the external auditor;
- the financial management and governance self-assessment process;
- due diligence reviews carried out by the Director of Finance & Operations and Headteachers in the Trust;
- the work of the local Governing Bodies and the key senior Trust staff who have responsibility for the development and maintenance of the internal control framework.

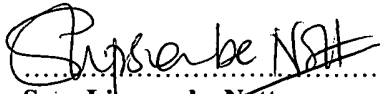
The Accounting Officer has been advised of the implications of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system has been put in place.

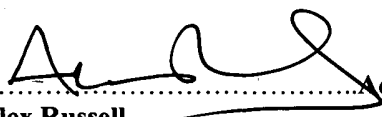
BOURNE EDUCATION TRUST

BOURNE EDUCATION TRUST

GOVERNANCE STATEMENT

Approved by order of the members of the board of directors on 8th December 2017 and signed on its behalf by:


..... Chair
Sara Lipscombe Nott
8th December 2017


..... Accounting Officer
Alex Russell
8th December 2017

BOURNE EDUCATION TRUST

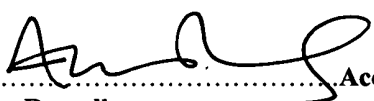
BOURNE EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bourne Education Trust, I have considered my responsibility to notify the Academy Trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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. If any instances are identified after the date of this statement, these will be notified to the Academy Trust governing body and the ESFA.


.....Accounting Officer
Alex Russell

8th December 2017

BOURNE EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 8th December 2017 and signed on its behalf by:



Sara Lipscombe-Nott
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOURNE EDUCATION TRUST

Opinion

We have audited the financial statements of Bourne Education Trust's for the year ended 31 August 2017 which comprise of the Statement of Financial Activities, (including income and expenditure account and statement of total recognised gains and losses) the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion, Bourne Education Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our

opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report, including the incorporated strategic report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

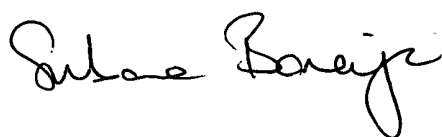
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



Subarna Banerjee (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

14/12/ 2017

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOARD OF TRUSTEES OF BOURNE EDUCATION TRUST AND THE EDUCATING AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourne Education Trust during the year to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bourne Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bourne Education Trust and the ESFA 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 Bourne Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Bourne Education Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Bourne Education Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2017 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017, issued by the ESFA. We performed a limited assurance engagement, as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE BOARD OF TRUSTEES OF BOURNE EDUCATION TRUST AND THE EDUCATING
FUNDING AGENCY (continued)**

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the Academy Trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

Conclusion

In the course of our work, nothing has come to our attention which suggests that, in all material respect, the expenditure disbursed and income received during the year to 31 August 2017, has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

**UHY Hacker Young
Reporting Accountant**

Quadrant House
4 Thomas More Square
London
E1W 1YW

14/12/17

BOURNE EDUCATION TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017 (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES)

	Notes	Restricted funds			2017 Total £	2016 Total £
		Unrestricted fund £	General funds £	Fixed asset fund £		
Income and endowments from:						
Donations and capital grants	2	56,751	1,348,984	1,192,844	2,598,579	1,658,932
Transfer from local authority on conversion	32	145,671	(513,771)	11,885,813	11,517,713	4,211,746
<i>Charitable activities</i>						
Funding for the Academy Trust's educational operations	3	-	22,182,006	-	22,182,006	21,497,891
Other trading activities	4	1,040,444	703,114	-	1,743,558	1,318,937
Investments	5	5,032	1,363	-	6,395	5,769
Total income and endowments		1,247,898	23,721,696	13,078,657	38,048,251	28,693,275
Expenditure on:						
Raising funds		364,054	1,124,506		1,488,560	1,161,983
<i>Charitable activities:</i>						
Educational operations		619,865	21,807,114	1,256,018	23,682,997	21,805,468
Total resources expended		983,919	22,931,620	1,256,018	25,171,557	22,967,451
Net incoming resources before transfers		263,979	790,076	11,822,639	12,876,694	5,725,824
Gross transfers between funds		12,441	(894,268)	881,827	-	-
Net income/(expenditure) for the year		276,420	(104,192)	12,704,466	12,876,694	5,725,824
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes		-	1,157,000	-	1,157,000	(1,820,000)
Net movement in funds		276,420	1,052,808	12,704,466	14,033,694	3,905,824
Total funds brought forward at 31 August 2016		2,570,293	(5,240,039)	58,800,903	56,131,157	52,225,333
Total funds carried forward at 31 August 2017		2,846,713	(4,187,231)	71,505,369	70,164,851	56,131,157

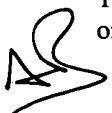
All of the academy's activities derive from continuing operations during the financial period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

BOURNE EDUCATION TRUST

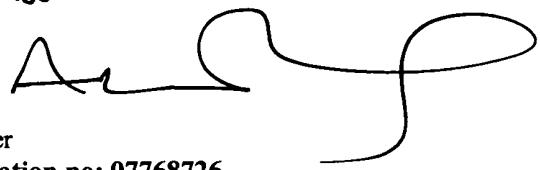
**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017**

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	71,505,369	58,800,903
		<u>71,505,369</u>	<u>58,800,903</u>
Current assets			
Debtors	15	990,712	1,356,754
Cash in hand and at bank		8,165,356	6,667,901
		<u>9,156,068</u>	<u>8,024,655</u>
Liabilities			
Creditors: amounts falling due within one year	16	(2,085,586)	(2,317,401)
Net current assets		<u>7,145,808</u>	<u>5,707,254</u>
Net assets excluding pension liability		<u>78,651,177</u>	<u>64,508,157</u>
Pension scheme liability	29	(8,411,000)	(8,377,000)
Net assets including pension liability		<u><u>70,164,851</u></u>	<u><u>56,131,157</u></u>
The funds of the Academy Trust:			
Restricted funds			
Fixed asset funds	17	71,505,369	58,800,903
Restricted income funds	17	4,223,769	3,136,961
Pension reserve	17	(8,411,000)	(8,377,000)
Total restricted funds		<u>67,318,138</u>	<u>53,560,864</u>
Unrestricted income fund			
General fund	17	2,846,713	2,570,293
Total funds		<u><u>70,164,851</u></u>	<u><u>56,131,157</u></u>

The financial statements on pages 28 to 59 were approved by the Board of Trustees, and authorised for issue on ~~xxx xxxxxx~~ 2017 and are signed on their behalf by:



8th December



Alex Russell
Accounting Officer
Company registration no: 07768726

BOURNE EDUCATION TRUST**ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2017**

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	71,505,369	58,800,903
Investments	13	2	2
		<u>71,505,371</u>	<u>58,800,905</u>
Current assets			
Debtors	15	1,025,890	1,406,928
Cash in hand and at bank		7,988,423	6,516,862
		<u>9,014,313</u>	<u>7,923,790</u>
Liabilities			
Creditors: amounts falling due within one year	16	(1,943,833)	(2,216,538)
Net current assets		<u>7,145,806</u>	<u>5,707,252</u>
Net assets excluding pension liability		<u>78,651,177</u>	<u>64,508,157</u>
Pension scheme liability	29	(8,411,000)	(8,377,000)
Net assets including pension liability		<u><u>70,164,851</u></u>	<u><u>56,131,157</u></u>
The funds of the academy:			
Restricted income funds			
Fixed asset funds	18	71,505,369	58,800,903
Restricted income funds	18	4,223,769	3,136,961
Pension reserve	18	(8,411,000)	(8,377,000)
Total restricted funds		<u>67,318,138</u>	<u>53,560,864</u>
Unrestricted income fund			
General fund	18	2,846,713	2,570,293
Total funds		<u><u>70,164,851</u></u>	<u><u>56,131,157</u></u>

The financial statements on pages 28 to 59 were approved by the Board of Trustees, and authorised for issue on 8th December 2017 and are signed on their behalf by:



Alex Russell
Accounting Officer
Company registration no: 07768726

BOURNE EDUCATION TRUST**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	23	2,402,693	2,557,111
		<hr/>	<hr/>
Cash flows from investing activities	25	(911,633)	(1,397,963)
		<hr/>	<hr/>
		1,491,060	1,159,148
Cash flows from financing activities	24	6,395	5,769
Change in cash and cash equivalents in the reporting period		1,497,455	1,164,917
Cash and cash equivalents at 1 September 2016		6,667,901	5,502,984
		<hr/>	<hr/>
Cash and Cash equivalents at 31 August 2017	26	<u>8,165,356</u>	<u>6,667,901</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies

Company Information

Bourne Education Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Epsom & Ewell High School, Ruxley Lane, Epsom, Surrey, KT19 9JW.

Basis of preparation

The accounts of the Bourne Education Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of consolidation

These financial statements consolidate on a line-by-line basis the results of the Academy Trust and its wholly owned subsidiaries, Bourne Education Trust Enterprises Limited and Matthew Arnold Enterprises Limited. A separate statement of financial activities (incorporating an income and expenditure account) for the Company itself is not presented because the Company has taken advantage of the exemptions afforded by section 230 of the Companies Act 2006 and paragraph 397 of the Charity SORP 2015. The Academy Trust's net income for the year was £14,109,020.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the Academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditor as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

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

Capital grants are recognised where there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Donated goods, services and gifts in kind

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

On becoming an academy, the land and property of the predecessor school was transferred to the academy for nil consideration. The valuation of the land and buildings as at the date of conversion was prepared by Lambert, Smith Hampton on a depreciated replacement cost basis.

Expenditure

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

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all reserve activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

Tangible fixed assets

Assets costing £5,000 per single item or £25,000 in respect of capital projects or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold land	over 125 years
Freehold and long leasehold buildings	over 25 to 50 years
Plant and machinery	over 3 to 10 years

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

Impairment of fixed assets

At each reporting period end date, the Academy Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Academy Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

The Academy Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

Financial instruments (continued)

Financial instruments are recognised in the Academy Trust's statement of financial position when the Academy Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Academy Trust after deducting all of its liabilities.

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt-instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Academy Trust's contractual obligations expire or are discharged or cancelled.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Investments

The Academy's shareholding in the wholly owned subsidiaries, Bourne Education Trust Enterprises Limited and Matthew Arnold Enterprises Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Academy Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension benefits

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

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

Pension benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, the Department for Education or other funders 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.

Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

Pension Liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 32, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The Trustees estimate the useful economic lives and residual values of Buildings, Building Improvements, Computer Equipment, Furniture and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the profit and loss account and the balance sheet.

The Trustees have reviewed the carrying values of the Trust's Buildings, Building Improvements, Computer Equipment, Furniture and Equipment and Motor Vehicles.

Critical areas of judgement

The Trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

2 Donations and capital grants	Unrestricted fund £	Restricted funds £	Total 2017 £	Total 2016 £
Funds inherited on conversion (see note 32)				
Fixed assets	-	11,885,813	11,885,813	4,492,224
Local government pension scheme deficit	-	(518,000)	(518,000)	(379,000)
Net current assets	145,671	4,229	149,900	98,522
	<hr/>	<hr/>	<hr/>	<hr/>
	145,671	11,372,042	11,517,713	4,211,746
Capital grants	-	1,361,660	1,361,660	1,496,485
Fixed assets donated from local authority	-	1,180,168	1,180,168	-
Other donations	75,326	-	75,326	162,447
	<hr/>	<hr/>	<hr/>	<hr/>
	75,326	2,541,828	2,617,154	1,658,932
	<hr/>	<hr/>	<hr/>	<hr/>
	220,997	13,913,870	14,134,867	5,870,678
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

3 Funding for the Academy Trust's educational operations

	Unrestricted fund £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
- General Annual Grant (GAG)	-	18,473,141	18,473,141	17,970,780
- Other DfE / ESFA grants	-	1,029,683	1,029,683	100,964
	-	19,502,824	19,502,824	18,071,744
Other Government grants				
- Local authority grants	-	2,242,346	2,242,346	3,195,772
- Other government grants	-	436,836	436,836	230,375
	-	2,679,182	2,679,182	3,426,147
Total funding	-	22,182,006	22,182,006	21,497,891

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

4	Other trading activities	Unrestricted fund	Restricted funds	Total 2017	Total 2016
		£	£	£	£
	Hire of facilities	179,459	194,676	374,135	334,513
	Catering income	-	175,190	175,190	166,191
	Trip income	324,189	-	324,189	226,161
	Other income	536,797	333,248	870,045	592,072
		<u>1,040,444</u>	<u>703,114</u>	<u>1,743,558</u>	<u>1,318,937</u>
5	Investment income	Unrestricted fund	Restricted funds	Total 2017	Total 2016
		£	£	£	£
	Bank interest receivable	5,032	1,363	6,935	5,769
		<u>5,032</u>	<u>1,363</u>	<u>6,395</u>	<u>5,769</u>
6	Expenditure	Staff costs	Non pay expenditure	Total 2017	Total 2016
		£	Premises	£	£
		(note 8)	£		
	Academy's educational operations (note 7)				
	- direct costs	14,909,911	-	1,666,964	16,576,875
	- allocated support costs	3,086,842	2,979,903	1,039,377	7,106,122
		<u>17,996,753</u>	<u>2,979,903</u>	<u>2,706,341</u>	<u>23,682,997</u>
	Expenditure on raising funds	169,314	26,276	1,292,970	1,488,560
		<u>18,166,067</u>	<u>3,006,179</u>	<u>3,999,311</u>	<u>25,171,557</u>
		<u>18,166,067</u>	<u>3,006,179</u>	<u>3,999,311</u>	<u>25,171,557</u>
	Net income / expenditure for the year includes:			2017	2016
				£	£
	Fees paid to auditor for:				
	- audit services			38,000	35,500
	- other services			9,300	4,800
	Depreciation of tangible fixed assets			1,256,018	1,145,616
				<u>1,256,018</u>	<u>1,145,616</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs – educational operations	16,576,875	15,146,149
Support costs – educational operations	7,106,122	6,659,319
	<u>23,682,997</u>	<u>21,805,468</u>
	Total 2017 £	Total 2016 £
Analysis of support costs		
Support staff costs	3,086,842	2,131,137
Depreciation (fixed asset restricted fund)	1,256,018	1,145,616
Technology costs	351,317	375,263
Premises costs	1,723,885	1,785,191
Other support costs	646,431	1,181,262
Governance costs	41,630	40,850
	<u>7,106,122</u>	<u>6,659,319</u>
Total support costs	<u>7,106,122</u>	<u>6,659,319</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

Staff costs during the year were:

	2017 Total £	2016 Total £
Wages and salaries	13,248,016	12,308,675
Social security costs	1,227,770	972,307
Pension costs	2,800,972	2,170,707
Apprenticeship levy	22,507	-
	<u>17,299,265</u>	<u>15,451,689</u>
Supply teacher costs	823,302	744,299
Staff restructuring costs	43,500	110,810
	<u>18,166,067</u>	<u>16,306,798</u>
Staff restructuring costs comprise:		
Severance payments	43,500	110,810
	<u>43,500</u>	<u>110,810</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £43,500 (2016: £110,810). Individually, the payments were: £25k, £6.5k, £6k, £4k and £2k.

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

	2017 Number	2016 Number
Teachers	209	221
Administration and support	321	320
Management	42	39
	<u>572</u>	<u>580</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs (continued)

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

	2017 Number	2016 Number
£ 60,001 - £ 70,000	4	3
£ 70,001 - £ 80,000	3	4
£ 80,001 - £ 90,000	2	-
£ 90,001 - £100,000	2	2
£110,001 - £120,000	-	1
£150,001 - £160,000	-	1
£170,001 - £180,000	1	-

11 of the above employees participated in the Teachers' Pension Scheme (2016: 10). During the year ended 31 August 2017, pension contributions for these staff amounted to £132,163 (2016: £134,404).

1 of the above employees participates in the Local Government Pension Scheme (2016: 1). During the year ended 31 August 2017, pension contributions for this employee amounted to £ 27,819 (2016: £20,579).

9. Central services

The Academy trust has provided £354,615 (2016: £341,865) of educational support central services to its academy schools during the year. The Academy Trust charges for these services on the basis of the following methodologies:

- Insurance, personnel, training and staffing costs recharged on an actual cost basis;
- Headteacher support charged on the basis of an agreed daily rate; and
- Contributions from schools to central costs charged at 2.1% of the school budget share.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Auriol Junior School	8,335	-
Epsom and Ewell High School	84,687	86,905
Jubilee High School	70,994	69,974
Pyncroft Grange Primary School	19,154	16,088
Sythwood Primary School	44,438	42,261
Sayes Court Primary School	20,605	20,180
Matthew Arnold School	90,750	95,587
Brookwood Primary School	15,652	10,870
	<u>347,224</u>	<u>341,865</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

10. Key management personnel

The key management personnel of the Trust comprise the trustees and key members of the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £764,828 (2016: £441,906).

11. Trustees' remuneration and expenses

The Executive Headteacher and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in respect of their role as Trustees. The value of trustees' remuneration was as follows:

Alex Russell (Headteacher, Accounting Officer and Trustee)

Remuneration £175,001-£180,000 (2016: £155,001-£160,000)

Employer pension contributions £20,001-£25,000 (2016: £20,001-£25,000)

Sue Tresilian (Strategic Primary Partner, Headteacher and Trustee)

Remuneration £75,001-£80,000 (2016: £95,001-£100,000)

Employer pension contributions £1-£5,000 (2016: £15,001-£20,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £949 were reimbursed to trustees (2016: £2,606).

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 (2016: £2,000,000) on any one claim and the cost for the year ended 31 August 2017 was included within the premium for commercial combined policy and is not Separately identifiable.

BOURNE EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. Tangible assets – Group and academy	Freehold land and buildings £	Long leasehold and buildings £	Leasehold building improvements £	Plant and machinery £	Total £
Cost					
At 1 September 2016	29,755,034	26,154,677	4,704,990	1,655,178	62,269,879
Inherited upon conversion	4,295,261	7,560,000	13,400	17,152	11,885,813
Additions	1,180,168	-	849,464	45,039	2,074,671
At 31 August 2017	35,230,463	33,714,677	5,567,854	1,717,369	76,230,363
Depreciation					
At 1 September 2016	2,196,515	590,987	89,262	592,212	3,468,976
Charge in year	877,330	108,707	123,124	146,857	1,256,018
At 31 August 2017	3,073,845	699,694	212,386	739,069	4,724,994
Net book values					
At 31 August 2017	32,156,618	33,014,983	5,355,468	978,300	71,505,369
At 31 August 2016	27,558,519	25,563,690	4,615,728	1,062,966	58,800,903

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

13 Investments - Trust

	Total 2017	Total 2016
	£	£
Shares in subsidiary undertaking	2	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

Company	Country of registration or shares held incorporation	Class	%
Bourne Education Trust Enterprises Limited	England and Wales	Ordinary	100
Matthew Arnold Enterprises Limited	England and Wales	Ordinary	100

The results of the subsidiary for the year ended 31 August 2016 were as follows:

	BETEL £	MAE £	Total £
Turnover	137,332	302,048	439,380
Operating expenses	(80,581)	(283,473)	(364,054)
Gift aid payment made to the Academy Trust	(56,751)	(18,575)	(75,326)
Net profit before taxation	-	-	-
Taxation charge	-	-	-
Retained profit for the year	-	-	-

The subsidiary undertakings carry out the trading activities of the Bourne Education Trust. Limited carries out training of teachers, Matthew Arnold Enterprises Limited carries out the letting and operations of sports facilities.

At 31 August 2017 the aggregate amount of net assets and reserves of the subsidiaries were as follows:

	BETEL £	MAE £	Total £
Current assets	173,449	109,785	282,234
Current liabilities	(173,448)	(109,784)	(282,232)
	1	1	2
Represented by:			
Share capital	1	1	2

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

14 Financial instruments	Group 2017 £	Group 2016 £	Academy 2017 £	Academy 2016 £
Carrying amount of financial assets				
Debt instruments measure at amortised cost	8,239,039	6,787,282	8,201,064	6,679,315
Carrying amount of financial liabilities				
Measured at amortised cost	456,074	922,312	447,041	876,310

The trustees have considered the Trust's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Trust's risk register and monitored throughout the year. The trustees do not consider the Trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

15 Debtors	Group 2017 £	Group 2016 £	Academy 2017 £	Academy 2016 £
Trade debtors	73,683	119,381	67,881	63,472
VAT recoverable	254,904	235,712	268,032	247,882
Amounts due from subsidiary	-	-	69,435	98,981
Other debtors	7,285	613	7,285	610
Prepayments and accrued income	654,840	1,001,048	613,257	995,983
	990,712	1,356,754	1,025,890	1,406,928

16 Creditors: amounts falling due within one year	Group 2017 £	Group 2016 £	Academy 2017 £	Academy 2016 £
Trade creditors	456,074	922,312	447,043	876,310
Other taxation and social security	108,038	98,479	108,037	98,479
Accruals and deferred income (see below)	559,096	508,428	559,096	470,554
Other creditors	962,378	788,182	829,657	771,195
	2,085,586	2,317,401	1,943,833	2,216,538

Deferred income	Group 2017 £	Group 2016 £	Academy 2017 £	Academy 2016 £
Deferred income at 1 September	184,528	244,000	174,656	231,967
Income deferred in the year	213,562	184,528	204,232	174,656
Amounts released from previous years	(184,528)	(244,000)	(174,656)	(231,967)
Deferred income at 31 August 2017 included				
In accruals and deferred income above	213,562	184,528	204,232	174,656

At the balance sheet date the Trust was holding funds of £213,562 (2016: £184,528) received in advance.

BOURNE EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17 Funds – Group	Balance at 31 August 2016	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted					
General Annual Grant (GAG)	2,327,747	18,565,322	(17,480,230)	(498,697)	2,914,142
Rates and insurance fund	-	97,406	(98,022)	1,456	840
Capital grant funding	509,413	1,095,817	(19,378)	(725,872)	859,980
MAT set-up and improvement fund	198,939	403,768	(511,352)	-	91,355
Special educational needs fund	7,128	1,675,520	(1,991,663)	324,067	15,052
Pupil premium and learning support unit fund	41,660	1,127,695	(1,110,793)	14,045	72,607
Children's centre fund	13,749	679,019	(665,229)	(11,543)	15,996
Early years fund	37,190	284,831	(283,952)	-	38,069
Regional growth fund	-	96,461	(12,414)	-	84,047
Restricted sports funding	1,131	63,857	(65,908)	2,276	1,356
Re-brokerage grant	-	150,000	(19,679)	-	130,321
LGPS deficit fund	(8,377,000)	(518,000)	(673,000)	1,157,000	(8,411,000)
	<u>(5,240,039)</u>	<u>23,721,696</u>	<u>(22,931,620)</u>	<u>262,732</u>	<u>(4,187,231)</u>
Restricted fixed asset funds					
Inherited fixed asset fund	53,766,071	13,078,657	(1,018,301)	-	65,826,427
General annual grant fixed assets fund	2,664,184	-	(162,313)	155,955	2,657,826
Capital grant fixed assets fund	2,370,648	-	(75,404)	725,872	3,021,116
	<u>58,800,903</u>	<u>13,078,657</u>	<u>(1,256,018)</u>	<u>881,827</u>	<u>71,505,369</u>
Total restricted	<u>53,560,864</u>	<u>36,800,353</u>	<u>(24,187,637)</u>	<u>1,144,559</u>	<u>67,318,138</u>
Unrestricted funds	<u>2,570,293</u>	<u>1,247,898</u>	<u>(983,919)</u>	<u>12,441</u>	<u>2,846,713</u>
	<u>2,570,293</u>	<u>1,247,898</u>	<u>(983,919)</u>	<u>12,441</u>	<u>2,846,713</u>
	<u>56,131,157</u>	<u>38,048,251</u>	<u>(25,171,557)</u>	<u>1,157,000</u>	<u>70,164,851</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds – Group (continued)

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the Trust including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Trust (see note 29).

Transfer between funds

Transfers from unrestricted and restricted funds to the restricted fixed asset fund were necessary to fund capital expenditure carried out during the year.

BOURNE EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18 Funds – Academy Trust	Balance at 31 August 2016 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2017 £	£
Restricted						
General Annual Grant (GAG)	2,327,747	18,565,322	(17,480,230)	(498,697)	2,914,142	
Rates and insurance fund	-	97,406	(98,022)	1,456	840	
Capital grant funding	509,413	1,095,817	(19,378)	(725,872)	859,980	
MAT set-up and improvement fund	198,939	403,768	(511,352)	-	91,355	
Special educational needs fund	7,128	1,675,520	(1,991,663)	324,067	15,052	
Pupil premium and learning support unit fund	41,660	1,127,695	(1,110,793)	14,045	72,607	
Children's centre fund	13,749	679,019	(665,229)	(11,543)	15,996	
Early years fund	37,190	284,831	(283,952)	-	38,069	
Regional growth fund	-	96,461	(12,414)	-	84,047	
Restricted sports funding	1,131	63,857	(65,908)	2,276	1,356	
Re-brokerage grant	-	150,000	(19,679)	-	130,321	
LGPS deficit fund	(8,377,000)	(518,000)	(673,000)	1,157,000	(8,411,000)	
	<u>(5,240,039)</u>	<u>23,721,696</u>	<u>(22,931,620)</u>	<u>262,732</u>	<u>(4,187,231)</u>	
Restricted fixed asset funds						
Inherited fixed asset fund	53,766,071	13,078,657	(1,018,301)	-	65,826,427	
General annual grant fixed assets fund	2,664,184	-	(162,313)	155,955	2,657,826	
Capital grant fixed assets fund	2,370,648	-	(75,404)	725,872	3,021,116	
	<u>58,800,903</u>	<u>13,078,657</u>	<u>(1,256,018)</u>	<u>881,827</u>	<u>71,505,369</u>	
Total restricted	53,560,864	36,800,353	(24,187,638)	1,144,559	67,318,138	
Unrestricted funds	2,570,293	883,844	(619,865)	12,441	2,846,713	
	<u>2,570,293</u>	<u>883,844</u>	<u>(619,865)</u>	<u>12,441</u>	<u>2,846,713</u>	
	<u>56,131,157</u>	<u>37,684,197</u>	<u>(24,807,503)</u>	<u>1,157,000</u>	<u>70,164,851</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18 Funds – Academy Trust (continued)

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (see note 29).

Transfer between funds

A transfer from unrestricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year. A transfer between restricted and unrestricted was necessary to reflect the funding of activities in the year.

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds – Academy Trust (continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	2017 £	2016 £
Auriol Junior School	260,741	-
Epsom & Ewell High School	1,408,148	1,419,465
Jubilee High School	747,348	666,178
Pycroft Grange Primary School	496,958	417,283
Sythwood Primary School	357,705	201,212
Sayes Court Primary School	409,840	379,962
Matthew Arnold School	2,080,420	1,806,337
Brookwood Primary School	203,648	171,187
Central services	1,105,674	645,630
	<hr/>	<hr/>
Total before fixed assets and pension reserve	7,070,482	5,707,254
Restricted fixed asset reserve	71,505,369	58,800,903
Pension reserve	(8,411,000)	(8,377,000)
	<hr/>	<hr/>
Total	<u>70,164,851</u>	<u>56,131,157</u>

Analysis of academies by cost:

	Teaching and Educational Support Staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Auriol Junior School	322,957	61,942	24,872	70,707	480,478
Epsom and Ewell High School	3,789,334	544,047	181,164	975,176	5,489,721
Jubilee High School	2,662,578	510,533	122,023	925,147	4,220,281
Pycroft Grange Primary School	852,450	145,025	55,753	403,908	1,457,136
Sythwood Primary School	2,677,961	256,752	76,001	726,029	3,736,743
Sayes Court Primary School	764,913	121,137	34,108	380,670	1,300,828
Matthew Arnold School	2,959,637	624,898	141,061	944,160	4,669,756
Brookwood Primary School	726,683	99,466	15,579	200,835	1,042,563
Central Services	195,004	191,498	19,276	520,300	926,078
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>14,951,517</u>	<u>2,555,298</u>	<u>669,837</u>	<u>5,146,932</u>	<u>23,323,584</u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds – Group

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	-	71,505,369	71,505,369	58,800,903
Current assets	2,846,713	6,309,355	-	9,156,068	8,024,655
Current liabilities	-	(2,085,586)	-	(2,085,586)	(2,317,401)
Pension scheme liability	-	(8,411,000)	-	(8,411,000)	(8,377,000)
Total net assets	2,846,713	(4,187,231)	71,505,369	70,164,851	56,131,157

20 Analysis of net assets between funds – Academy Trust

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	-	71,505,369	71,505,369	58,800,903
Investment in subsidiary	-	2	-	2	2
Current assets	2,846,713	6,167,600	-	9,014,313	7,923,790
Current liabilities	-	(1,943,833)	-	(1,943,833)	(2,216,538)
Pension scheme liability	-	(8,411,000)	-	(8,411,000)	(8,377,000)
Total net assets	2,846,713	(4,187,231)	71,505,369	70,164,851	56,131,157

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

21 Capital commitments

At the balance sheet date, the Trust had no capital commitments either authorised and contracted for or authorised but not contracted for was £263,188 (31 August 2016: £Nil).

22 Financial commitments

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

	2017 £	2016 £
Due within one year	107,247	76,905
Due in two to five years	136,382	117,950
Due after five years	-	-
	<u> </u>	<u> </u>

23 Reconciliation of net income to net cash (outflow)/ inflow from operating activities

	2017 £	2016 £
Net income for the year	14,033,694	3,905,824
Cash transferred upon conversion to academy trust status	(149,900)	(98,522)
Depreciation	1,256,018	1,145,677
Capital income	(1,013,138)	(353,507)
Interest receivable	(6,395)	(5,769)
Non-cash movement: inherited fixed and net current assets	(11,885,813)	(4,496,677)
Non-cash movement: inherited pension deficit	518,000	379,000
FRS 17 pension finance cost less contributions payable (note 29)	(1,157,000)	1,820,000
FRS pension finance costs	673,000	293,000
Decrease (increase) in debtors	366,042	(422,438)
(Decrease) increase in creditors	(231,815)	390,523
	<u> </u>	<u> </u>
Net cash provided by / (used in) Operating Activities	2,402,693	2,557,111
	<u> </u>	<u> </u>

24 Cash flows from financing activities

	2017 £	2016 £
Interest received	6,395	5,769
	<u> </u>	<u> </u>
Net cash provided by financing activities	6,395	5,769
	<u> </u>	<u> </u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

25 Cash flows from investing activities

	£	£
Purchase of tangible fixed assets	(2,074,671)	(1,854,394)
Cash transferred upon conversion to academy status	149,899	98,522
Capital funding received from sponsors and others	1,013,139	357,889
	<u> </u>	<u> </u>
Net cash used in/ investing activities	(911,633)	(1,397,963)

26 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash in hand and at bank	8,165,356	6,667,901
	<u> </u>	<u> </u>
	<u>8,165,356</u>	<u>6,667,901</u>

27 Contingent liabilities

There are no contingent liabilities at 31 August 2017 (2016: £Nil).

28 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Trust 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 (2016: £10) for the debts and liabilities contracted before he/she ceases to be a member.

29 Pension and similar obligations

The Trust'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 Surrey County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS was 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year (2016: £Nil).

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

29 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2016 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2020, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £1,012,000 (2016: £1,150,000).

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

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

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

29 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,330,000 (2016: £1,214,000), of which employer's contributions totalled £1,067,000 (2016: £976,000) and employees' contributions totalled £263,000 (2016: £238,000). The agreed contribution rate for future years are 19.2% (2016: 24.5%) for employers and between 5.5% and 12.5% (2016: 5.5% and 12.5%) for employees.

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

Principal Actuarial Assumptions:

	At 31 August 2017 £	At 31 August 2016 £
Rate of increase in salaries	2.7%	2.4%
Rate of increase for pensions	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.0% - 2.1%

The below table, as produced by Hymans Robertson LLP (actuary) sets out the impact of a small change in the discount rates on the defined benefit obligations and projected service cost along with a plus/minus 1 year age rating adjustment to the mortality assumption.

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

	2017 (years)	2016 (years)
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.1	24.5
Females	26.4	26.9

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
Equity instruments	7,102,000	5,622,000
Debt instruments	1,420,000	1,274,320
Property	663,000	449,760
Cash	284,000	149,920
Total market value of assets	9,469,000	7,496,000

BOURNE EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017****29 Pension and similar obligations (continued)****Local Government Pension Scheme (continued)**

Actual return on scheme assets was £171,000 (2016: £755,000)

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	(1,558,000)	(1,037,000)
Net interest cost	(182,000)	(232,000)
	<u> </u>	<u> </u>
Total operating charge	<u><u>(1,740,000)</u></u>	<u><u>(1,269,000)</u></u>

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

	2017 £	2016 £
At 1 September	15,873,000	11,638,000
Inherited on conversion	1,154,000	-
Current service cost	1,558,000	1,037,000
Interest cost	353,000	453,000
Employee contributions	263,000	238,000
Actuarial (gain) /loss	(1,164,000)	2,575,000
Benefits paid	(157,000)	(68,000)
	<u> </u>	<u> </u>
At 31 August	<u><u>17,880,000</u></u>	<u><u>15,873,000</u></u>

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

	2017 £	2016 £
At 1 September	7,496,000	5,374,000
Inherited on conversion	636,000	-
Interest income	171,000	221,000
Actuarial (loss)/gain	(7,000)	755,000
Employer contributions	1,067,000	976,000
Employee contributions	263,000	238,000
Benefits paid	(157,000)	(68,000)
	<u> </u>	<u> </u>
At 31 August	<u><u>9,469,000</u></u>	<u><u>7,496,000</u></u>

BOURNE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

30 Related party transactions

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

A photographer known to the Finance Manager of Sayes Court School was paid for services with a value of £300 during the year. This was done on the basis of the photographer offering good value for money compared to a comparative purchase of similar services on market value terms.

There are no related party transactions in the year ended 31 August 2017.

31 Events after the end of the reporting period

Chertsey High School has joined the trust as a new Free School; a funding agreement was reached during the year and the Academy opened in September 2017. Another school, Everest Community Academy, also joined the Trust in September 2017. The trust received a financial management and governance multi-academy trust validation visit in November 2017.

32 Transfer of academy into trust

On 1 May 2017, Auriol Primary School, under the Academies Act 2010 and all the operations and assets and liabilities, were transferred into the Academy Trust 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:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Incoming resources from generated funds				
Voluntary income	-	-	-	-
Tangible fixed assets:				
Long leasehold land and buildings	-		11,885,813	11,885,813
Cash at bank and in hand	145,671	4,229	-	149,900
LGPS pension asset	-	(518,000)	-	(518,000)
	<u>145,671</u>	<u>(513,771)</u>	<u>11,885,813</u>	<u>11,517,713</u>
Net assets	<u>145,671</u>	<u>(513,771)</u>	<u>11,885,813</u>	<u>11,517,713</u>