

Company Number: 07768726

**BOURNE EDUCATION TRUST**

**ANNUAL REPORT**

**31 AUGUST 2014**

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

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**BOURNE EDUCATION TRUST**

**ANNUAL REPORT  
for the year ended 31 August 2014**

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## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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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 2014.

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

With effect from 1 September 2013, the Academy Trust has become a multi academy trust comprising from 1 September 2013, both Epsom & Ewell High School and Jubilee High School. Pyrcroft Grange Primary School joined the Academy Trust on 1 December 2013, Sythwood Primary School and Children's Centre joined the Academy Trust on 1 January 2014 and Sayes Court Primary School joined the Academy Trust on 1 June 2014.

The Academy Trust is led by the board of trustees, who are also the directors and the members of the charitable company and who have held office since 1 September 2013 as follows:

Sara Lipscombe-Nott  
Alex Russell

**Chair**  
**Executive Headteacher and Accounting Officer**

Chris Munro  
Bob Linnell  
Tony Oakden  
Penny Rendall  
Alan Richardson  
Sue Tresilian  
James Kibble

**Sponsor representative**  
**Secondary representative** (resigned 2 April 2014)  
**Secondary representative** (appointed 18 July 2014)  
**Primary representative**  
**Independent Director** (appointed 18 December 2013)  
**Strategic Primary Partner**  
**Strategic Secondary Partner** (appointed 18 July 2014)

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

Auditor: Baker Tilly UK Audit LLP, 3<sup>rd</sup> Floor, One London Square, Cross Lanes,  
Guildford, Surrey GU1 1UN

Banker: Lloyds Bank plc, 402-404 Ewell Road, Tolworth, Surbiton, KT6 7HF

During 2013/2014, in addition to the Executive Headteacher, the following other key senior members of staff were responsible for the day-to-day management of the Academy Trust:

Kate Sanders	Trust Business Manager and Company Secretary
Steve Price	Headteacher, Jubilee High School
Zelia Munnik	Headteacher, Pyrcroft Grange Primary School
Sue Tresilian	Headteacher, Sythwood Primary School
Paul Grimwood	Headteacher, Sayes Court Primary School
Guy Blair	Deputy Headteacher, Epsom & Ewell High School
Katy Backinsell	Trust Accountant

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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#### **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 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.

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

The 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. In making decisions about the strategic direction of the Academy Trust, the board takes into account the views of the governors of Epsom & Ewell High School, as the sponsoring academy. Intervention in individual schools within the Academy Trust is driven by performance against the key performance indicators and on the advice of the Executive Headteacher.

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

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

As a group, the senior leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the 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.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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#### **Method of Recruitment, Appointment, Election, Induction & Training of Trustees and Senior Management**

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

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.

#### **Auditor**

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

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

The trustees at the date of approval of this trustees' 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 trustees 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.

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

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' 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 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 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 trustees are required to:

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

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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

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

#### **Professional Indemnity Insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance arranged through Zurich Insurance provides cover of up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was included within the premium for the commercial combined policy 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
- 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.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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#### **Public Benefit**

The trustees 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. 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.

The Trust has traded with Electron Control Limited for the provision of building services the owner of which is related by marriage to the Headteacher of Sythwood School. The Trust is also related to Enabling Education Limited for the provision of governance consultancy services the owner of which is Bob Linnell.

#### **STRATEGIC REPORT**

##### ***ACHIEVEMENTS AND PERFORMANCE***

##### **Growth of the Academy Trust**

The Bourne Education Trust has grown in 2013/2014 to include Jubilee High School, a sponsored secondary school Pycroft Grange Primary and Sayes Court Primary, sponsored primary schools and Sythwood Primary School, a strategic partner within the trust. In addition, we have a school to school support agreement with Salesian School, Chertsey, an outstanding teaching school outside the Trust. The Trust is now responsible for the education of approximately 2,800 children and 450 employees.

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 the consultants.

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 school operates a programme of self-evaluation which includes review of performance data, learning walks, observation of lessons and termly externally led assessment of our work. Student performance is reported every half-term and the data analysed to ensure that all groups of students and departments are on track.

##### **Epsom and Ewell High School**

The school was inspected by Ofsted in March 2012 and was deemed to be 'good'. The inspection team also identified a number of outstanding elements relating to leadership and pupil behaviour. In April 2014 the local authority's school improvement advisor graded the school outstanding across all elements and the National College for Teaching and Leadership named it as one of its National Support Schools.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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The school is in its third period of operation as an academy and achieved the forecast numbers of students. Total students in the period ended 31 August 2014 numbered 800. The School has surplus places in all year groups but is beginning to grow rapidly. The school can admit up to 210 students into each year group.

Examination results for 2014 were outstanding. At A level, the average points score per candidate rose to 725 points, the highest the school has ever achieved. The percentage of students achieving 3 or more A levels rose from 79% to 83%. These results have allowed out students to access the very top universities with nearly one third attending those in the Russell Group. 47% of students achieved all A\* - B grades and 76% achieved all A\* - C grades.

At GCSE, 68% of students achieved five or more GCSEs at A\*-C including English and Mathematics. This is a 4% increase on the previous academic period and is 12% above the school's ambitious FFT type D target. This makes us the top performing school in Surrey and in the top 10% nationally for student progress. This is an outstanding achievement. Indeed, in all categories and sub-groups at GCSE the School performed above the national average.

#### **Jubilee High School**

Jubilee High School joined the Trust on the 1 September 2013. The focus at the school has been on improving the quality of leadership, teaching and learning and the rate of progress being made by students, especially in English and mathematics. The new headteacher, with support from the Trust, has made a significant impact. Leadership and the quality of teaching were graded as good by Ofsted during its last inspection in July 2013, whilst the level of achievement required further improvement. Rates of progress in both English and mathematics are now above the national average and the school has good capacity to ensure that overall standards at GCSE will reflect that too in 2015.

#### **Pyncroft Grange Primary School**

Pyncroft Grange Primary School joined the Trust on the 1 December 2013 and has been completely transformed by the school's new headteacher who was appointed from within the Trust in October 2013. The school has seen a significant turnover in staff during the year but now the quality of teaching is good in all years and the ethos of the school aspirational. Performance in this summer's key stage 2 assessments confirmed the significant progress made by the school with results across all disciplines double what they have been the year before and in line with national averages.

#### **Sythwood Primary School**

Sythwood Primary School joined the Trust on the 1 January 2014 as its primary strategic partner. It has provided significant school-to-school support to the Trust's primary sponsored academies. This is focused on improving the quality of leadership and teaching and learning. The school has used experts from within its own staff to supply training, interventions and mentoring. The impact has been significant.

#### **Sayes Court Primary School**

Sayes Court Primary School joined the Trust on the 1 June 2014 although the Trust has been working with the school throughout the year. Again the focus has been on improving the quality of leadership and teaching and learning. There has been a significant staff turnover during the year and the current team is now well equipped to bring the school out of special measures during 2014/2015. Current standards of achievement remain below the national average but current rates of progress suggest that this will be remedied during 2014/2015.



**BOURNE EDUCATION TRUST****TRUSTEES' ANNUAL REPORT**

for the year ended 31 August 2014

**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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2014, the total incoming resources of the Academy Trust were £37,721,607 (2001/2013: £5,933,728), which included £23,132,607 of incoming resources arising on conversion of four new schools into the trust structure. The remaining incoming resources totalled £14,589,000 with total expenditure for the year of £13,786,225 (2012/2013: £5,796,323). The total funds carried forward at 31 August 2014 amounted to £37,486,987 (2012/2013: 14,441,605).

At 31 August 2014, due to the growth of the multi-academy structure the net book value of tangible fixed assets had grown to £38,309,987 (31 August 2013: £13,893,746) 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 2014, the FRS 17 pension deficit on the Academy Trust's proportion of the Surrey Local Government Pension Scheme had also significantly increased and at 31 August 2014 stood at £3,793,000 (31 August 2013: £593,000).

The Trust applied for capital bids to the Academies Capital Maintenance Fund and was successful in two bids for Epsom & Ewell High School for roofing work and a replacement boiler and heating system and two bids for Pyrcroft Grange Primary School for roofing work and a kitchen replacement for Pyrcroft Grange Primary School. Since the end of the financial year the Trust has also been successful in a bid for lighting replacement for Sythwood Primary School.

The Trust has continued to receive income from providing school support which has resulted in three of the supported schools joining the Trust and a fourth joining shortly. It has also been successful in receiving Sponsor Capacity Grant to support the sponsor in its improvement work across the performance of the schools within the Trust.

**Reserves Policy**

The trustees 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 trustees 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 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 6<sup>th</sup> form numbers and funding.

As at 31 August 2014, free reserves amounted to £1,984,389 (31 August 2013: £924,738). A portion of the free reserves balance will be used to manage projected reductions in funding and increases in costs, notably reductions in the education services grant funding, removal of the national insurance rebate, increases in Teachers' Pension Scheme contribution rates and reductions in deprivation and high needs funding. Thereafter, a portion will be used to support condition improvement plans, with enough retained to ensure that the academies within the trust remain going concerns. This will be managed school by school as some are expecting increases in student numbers and funding and others reductions in student numbers which will mean careful management of funds.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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#### **Investment Policy**

Bourne Education Trust does not have any material investments. The trustees have determined that this will be an area of development in the year to come in view of the growth of the Trust. 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.

Interest earned on bank accounts during the year amounted to £3,749 (Year ended 31 August 2013: £2,337).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

#### **Going Concern**

After making appropriate enquiries, the trustees 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 trustees 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.

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**

We have been working since June 2014 with The Matthew Arnold School providing school to school and governance support. The Head of School of Matthew Arnold is seconded from the Trust and The Matthew Arnold School joined the Academy Trust on 1 December 2014.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 August 2014**

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#### **Other Specific Future Plans**

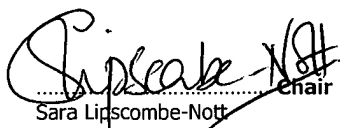
The Trust is in the process of setting up a trading subsidiary in view of the growth of the trust and likely future growth in taxable income. The Trust has applied to the Department for Education to open a new 11-16 free school in Runnymede, Chertsey to open in September 2017. The Trust will be supported in this by its secondary strategic partner, Salesian School, Chertsey. The school has also applied to the Department of Education to dispose of a parcel of land which is unusable for sports and not required by the school, releasing the asset to generate capital funding that will finance Epsom & Ewell's sports infrastructure needs. In view of the success of a capital bid to the Academies Capital Maintenance Fund for Sythwood School, this project is going ahead in the autumn of 2014.

#### **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 trustees 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 trustees, and in their capacity as directors of the charitable company the strategic report included therein, at their meeting on 12 December 2014, and was signed for and on behalf of the board by

  
Sara Lipscombe-Nott, Chair

12 December 2014

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT for the year ended 31 August 2014**

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#### **Scope of Responsibility**

As trustees, 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 trustees 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 trustees have met formally six times during the financial year. Attendance at meetings was as follows:

Trustee	Meetings attended	Out of possible
Sara Lipscombe-Nott	6	6
Alex Russell	6	6
Chris Munro	6	6
Tony Oakden	1	1
Penny Rendall	5	6
Alan Richardson	6	6
Sue Tresilian	6	6
James Kibble	0	1
Kate Sanders (as company secretary)	6	6

The Finance Committee was a sub-committee of the board of trustees, and its purposes and terms of reference covered those of a typical audit committee until the Audit Committee itself was formally set-up. The Finance Committee met twice during the financial year. Attendance at meetings was as follows:

Committee Member	Meetings attended	Out of possible
Alex Russell	2	2
Chris Munro	2	2
Matt Gibson	2	2
Mark Kelleher	2	2
Walter Lian	2	2
Christine Archer	1	2
Kate Sanders (in attendance)	2	2

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT for the year ended 31 August 2014**

The Audit Committee is a sub-committee of the board of trustees, and its purposes and terms of reference cover those of a typical audit committee. The Audit Committee will meet a minimum of three times a year but in its first year of operation it met once. Attendance at meetings was as follows:

Committee Member	Meetings attended	Out of possible
Alan Richardson (Chair)	1	1
David Griffiths	1	1
Christine Archer	1	1

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bourne Education Trust for the year ended 31 August 2014 and up to the date of approval of the trustees' annual report and financial statements.

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

The board of trustees 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 trustees 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 2014 and up to the date of approval of the trustees' annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **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 trustees;
- regular reviews by the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines, delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and the greater freedoms of the current Academies Financial Handbook. It has established an Audit Committee and has delegated the internal audit function to the central finance team of Trust Business Manager and Trust Accountant. This team has carried out three internal audit reviews during 2013/2014 which have been reviewed by the Audit Committee. This will continue to be reviewed by the Audit Committee.

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT for the year ended 31 August 2014**

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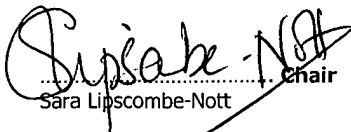
#### **Review of Effectiveness**

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2014, this review has been informed by:

- the work of the internal audit team;
- the work of the Finance Committee;
- the work of the Audit Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- financial due diligence reviews carried out by the Trust Improvement Partner;
- 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.

Approved by order of the members of the board of trustees on 12 December 2014 and signed on its behalf by:

  
Sara Lipscombe-Nott Chair  
12 December 2014

  
Alex Russell Accounting Officer  
12 December 2014

**BOURNE EDUCATION TRUST**

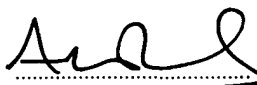
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
for the year ended 31 August 2014**

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

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

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

  
\_\_\_\_\_  
Alex Russell      Accounting Officer

12 December 2014

## **BOURNE EDUCATION TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOURNE EDUCATION TRUST for the year ended 31 August 2014**

We have audited the financial statements of Bourne Education Trust for the year ended 31 August 2014 on pages 16 to 44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of directors' responsibilities set out on pages 4 and 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.


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

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

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

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

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

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

17.12.2014



**BOURNE EDUCATION TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)  
for the year ended 31 August 2014**

		Unrestricted Funds	Restricted Funds		Total 2014	Total 2013
Notes	£	General £	Fixed Assets £	£	£	£
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income – upon conversion	1	583,542	(2,234,495)	24,783,560	23,132,607	-
Voluntary income – other	1	-	730,520	-	730,520	419,395
Activities for generating funds	2	94,742	690	-	95,432	27,946
Investment income	3	3,749	-	-	3,749	2,337
<b>Incoming resources from charitable activities</b>						
Academy Trust's educational operations	4	730,999	13,028,300	-	13,759,299	5,484,050
<b>TOTAL INCOMING RESOURCES</b>		1,413,032	11,525,015	24,783,560	37,721,607	5,933,728
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Academy Trust's educational operations	5	231,668	12,842,787	544,152	13,618,607	5,735,846
<b>Governance costs</b>	5	-	167,618	-	167,618	60,477
<b>TOTAL RESOURCES EXPENDED</b>		231,668	13,010,405	544,152	13,786,225	5,796,323
<b>NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		1,181,364	(1,485,390)	24,239,408	23,935,382	137,405
<b>TRANSFERS</b>						
Gross transfers between funds		(121,713)	(55,120)	176,833	-	-
<b>NET INCOME/ (EXPENDITURE) FOR THE YEAR</b>		1,059,651	(1,540,510)	24,416,241	23,935,382	137,405

**BOURNE EDUCATION TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)  
for the year ended 31 August 2014**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2014</b>	<b>Total 2013</b>
	<b>Notes</b>	<b>£</b>	<b>General £</b>	<b>Fixed Assets £</b>	<b>£</b>	<b>£</b>
<b>NET INCOME/ (EXPENDITURE) FOR THE YEAR</b>		1,059,651	(1,540,510)	24,416,241	23,935,382	137,405
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial (losses)/gains on defined benefit pension schemes	13	-	(890,000)	-	(890,000)	7,000
<b>NET MOVEMENT IN FUNDS</b>		1,059,651	(2,430,510)	24,416,241	23,045,382	144,405
<b>RECONCILIATION OF FUNDS</b>						
Fund balances brought forward at 1 September 2013		924,738	(376,879)	13,893,746	14,441,605	14,297,200
<b>FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2014</b>	14	1,984,389	(2,807,389)	38,309,987	37,486,987	14,441,605

The net movement in funds for the year arises from the Academy Trust's continuing and acquired (see note 22) operations.

**BOURNE EDUCATION TRUST**

**CASH FLOW STATEMENT**  
for the year ended 31 August 2014

	Notes	2014 £	2013 £
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the year		23,935,382	137,405
Cash transferred upon conversion to academy trust status		(643,047)	-
Depreciation		544,152	396,094
Capital grant income		(730,520)	(419,395)
Investment income receivable		(3,749)	(2,337)
Non-cash movement – Inherited fixed assets		(24,783,560)	-
Non-cash movement – Inherited pension deficit		2,294,000	-
FRS17 pension cost less contributions payable		(65,000)	(20,000)
FRS17 pension finance costs		81,000	21,000
Increase in debtors		(703,721)	(101,134)
Increase in creditors		684,302	32,712
		<u>609,239</u>	<u>44,335</u>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Investment income received		3,749	2,337
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		(176,833)	(68,479)
Capital grant income		730,520	419,395
		<u>553,687</u>	<u>350,916</u>
<b>CASH TRANSFERRED UPON CONVERSION TO ACADEMY TRUST STATUS</b>		<u>643,047</u>	<u>-</u>
<b>INCREASE IN CASH</b>	8 & 9	<u>1,809,722</u> =====	<u>397,588</u> =====

Some of the cash flows of the Academy Trust in the current year were derived from its acquired operations - see note 22 (2012/2013: all from continuing operations). In particular, cash balances of £643,047 were acquired during the current year.

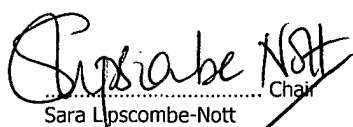
**BOURNE EDUCATION TRUST**

**BALANCE SHEET**  
as at 31 August 2014

Company number: 07768726

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	10	38,309,987	13,893,746
<b>CURRENT ASSETS</b>			
Debtors	11	891,736	188,015
Cash at bank and in hand		3,178,878	1,369,156
		4,070,614	1,557,171
<b>CREDITORS:</b> Amounts falling due within one year	12	(1,100,614)	(416,312)
<b>NET CURRENT ASSETS</b>		2,970,000	1,140,859
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS EXCLUDING PENSION LIABILITY</b>		41,279,987	15,034,605
Pension scheme liability	13	(3,793,000)	(593,000)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		37,486,987	14,441,605
		=====	=====
<b>FUNDS OF THE ACADEMY TRUST</b>			
Restricted fixed assets funds	14	38,309,987	13,893,746
Restricted general funds – LGPS deficit fund	14	(3,793,000)	(593,000)
Restricted general funds – other	14	985,611	216,121
		35,502,698	13,516,867
Unrestricted income funds	14	1,984,389	924,738
<b>TOTAL FUNDS</b>	15	37,486,987	14,441,605
		=====	=====

The financial statements on pages 16 to 44 were approved by the trustees and authorised for issue on 12 December 2014, and are signed on their behalf by

  
Sara Lipscombe-Nott Chair

12 December 2014

## **BOURNE EDUCATION TRUST**

**Financial statements for the year ended 31 August 2014**

### **ACCOUNTING POLICIES**

---

#### **BASIS OF ACCOUNTING**

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

#### **GOING CONCERN**

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

#### **INCOMING RESOURCES**

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

Grants receivable for tuition and other wider educational activities, other operating income, activities for generating funds and investment income are accounted for on an accruals basis. Income is recognised as receivable and excluding any relevant Value Added Tax when earned.

The General Annual Grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the statement of financial activities, as incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

#### **RESOURCES EXPENDED**

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

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

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

## **BOURNE EDUCATION TRUST**

**Financial statements for the year ended 31 August 2014**

### **ACCOUNTING POLICIES**

---

#### **TAXATION**

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

#### **TANGIBLE FIXED ASSETS**

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

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

Where fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fund through the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund through the statement of financial activities over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

#### **PENSION BENEFITS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 13, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## **BOURNE EDUCATION TRUST**

### **Financial statements for the year ended 31 August 2014**

#### **ACCOUNTING POLICIES**

---

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

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

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

##### **FUND ACCOUNTING**

Unrestricted funds comprise the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the Academy Trust and at the discretion of the trustees.

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

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet.

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the funders where the assets acquired or created are tangible fixed assets. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and the Department for Education.

##### **AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the Department for Education via the Education Funding Agency ("EFA"). Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in any particular year, an amount will be included within liabilities at the balance sheet date as amounts due to the EFA.

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

Within these financial statements and in respect of new schools joining the multi-academy trust, the conversion from a maintained school to an academy involves the transfer of identifiable assets and liabilities and the operations of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred upon conversion from a maintained school to an academy have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out within the Academies Accounts Direction 2013 to 2014. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the statement of financial activities and analysed under unrestricted, restricted general and restricted fixed asset funds.

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds General £</b>	<b>Fixed Assets £</b>	<b>Total 2014 £</b>	<b>Total 2013 £</b>
<b>1. VOLUNTARY INCOME</b>					
Assets and liabilities inherited upon conversion:					
Agreed cash settlements	583,542	59,505	-	643,047	-
Fixed assets inherited	-	-	24,783,560	24,783,560	-
Local government pension scheme deficit	-	(2,294,000)	-	(2,294,000)	-
	<u>583,542</u>	<u>(2,234,495)</u>	<u>24,783,560</u>	<u>23,132,607</u>	<u>-</u>
Capital grant funding	-	730,520	-	730,520	419,395
	<u>583,542</u>	<u>(1,503,975)</u>	<u>24,783,560</u>	<u>23,863,127</u>	<u>419,395</u>
	=====	=====	=====	=====	=====
<b>2. ACTIVITIES FOR GENERATING FUNDS</b>					
Sundry lettings and hire of facilities	94,742	690	-	95,432	27,946
	=====	=====	=====	=====	=====
<b>3. INVESTMENT INCOME</b>					
Bank interest receivable on short term cash deposits	3,749	-	-	3,749	2,337
	=====	=====	=====	=====	=====



**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2014</b>	<b>Total 2013</b>
	£	General £	Fixed Assets £	£	£
<b>4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS</b>					
DfE/EFA revenue grants:					
General Annual Grant (GAG)	-	10,680,313	-	10,680,313	4,428,749
Rates and insurance income	-	104,704	-	104,704	74,007
Multi-academy trust set up and improvement grant funding	-	174,567	-	174,567	171,000
16-19 Bursary income	-	13,181	-	13,181	4,079
Other government grants:					
Growing Schools income	-	115,324	-	115,324	-
Special Educational Needs income	-	575,414	-	575,414	207,947
Pupil Premium and Learning Support Unit income	-	573,204	-	573,204	133,476
Golden Hello income	-	-	-	-	11,260
Sponsor capacity income	-	76,025	-	76,025	-
Graduate Teacher Placement income	-	-	-	-	30,600
Children's Centre income	-	362,740	-	362,740	-
Early years income	-	215,105	-	215,105	-
Nurture Group income	-	47,152	-	47,152	-
School Games Organiser income	-	42,019	-	42,019	11,075
Other Academy Trust income:					
Other educational income	730,999	48,552	-	779,551	411,857
	<u>730,999</u>	<u>13,028,300</u>	<u>-</u>	<u>13,759,299</u>	<u>5,484,050</u>
	=====	=====	=====	=====	=====

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

	Academy Trust's educational operations £	Governance costs £	Total 2014 £	Total 2013 £
<b>5. RESOURCES EXPENDED</b>				
Direct costs:				
Teaching and educational support staff costs	8,154,989	-	8,154,989	3,319,454
Depreciation:				
Owned assets	441,122	-	441,122	396,084
Leased assets	103,030	-	103,030	-
Technology costs:				
Operating leases – plant and machinery	14,396	-	14,396	101,239
Other costs	257,365	-	257,365	89,094
Educational supplies	264,304	-	264,304	70,598
Examination fees	110,774	-	110,774	95,037
Staff development	86,889	-	86,889	15,726
Other direct costs	429,638	-	429,638	50,117
	<u>9,862,507</u>	<u>-</u>	<u>9,862,507</u>	<u>4,137,339</u>
Allocated support costs:				
Support staff costs	1,041,035	26,693	1,067,728	351,243
Recruitment and retention	49,640	-	49,640	16,202
Maintenance of premises and equipment	1,197,556	-	1,197,556	617,202
Cleaning	209,637	-	209,637	81,205
Rent, rates and utilities:				
Operating leases – land and buildings	12,968	-	12,968	-
Operating leases – plant and machinery	3,360	-	3,360	-
Other costs	325,911	-	325,911	116,132
Insurance	143,090	-	143,090	52,691
Trip expenditure	203,232	-	203,232	83,963
Catering	130,274	-	130,274	51,066
Net finance expense on pension scheme assets and liabilities – see note 13	81,000	-	81,000	21,000
Professional fees and consultancy	87,797	102,696	190,493	74,616
Auditor's remuneration:				
Audit fees	-	32,750	32,750	16,925
Accountancy and advisory services	1,826	5,479	7,305	6,474
Other support costs:				
Operating leases – plant and machinery	37,834	-	37,834	-
Other costs	230,940	-	230,940	170,254
	<u>3,756,100</u>	<u>167,618</u>	<u>3,923,718</u>	<u>1,658,984</u>
	<u>13,618,607</u>	<u>167,618</u>	<u>13,786,225</u>	<u>5,796,323</u>
	=====	=====	=====	=====

The Academy Trust strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved and/or the nature of the cost. Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £32,750 (2012/2013: £16,925) and amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £7,305 (2012/2013: £6,474). There are no individual transactions exceeding £5,000 and included in resources expended above, that relate to ex-gratia/compensation payments, gifts made by the Academy Trust, fixed asset losses, stock losses, unrecoverable debts or cash losses.

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

	2014	2013
<b>6. STAFF COSTS</b>		
	No.	No.
The average monthly number of persons employed by the Academy Trust (excluding trustees) during the year was as follows:		
Teaching	247	83
Premises	6	3
Support	28	8
	<u>281</u>	<u>94</u>
	===	===
	£	£
Staff costs for the above persons:		
Wages and salaries	7,269,084	2,883,332
Social security costs	532,038	228,192
Pension costs - defined benefit schemes:		
Teachers' Pension Scheme	644,237	292,682
Local Government Pension Scheme	446,211	116,814
Staff severance payments	24,500	-
Agency and other staff costs	306,647	149,677
	<u>9,222,717</u>	<u>3,670,697</u>
	=====	=====

Included within staff severance payments above, are non-statutory/non-contractual severance payments of £2,000 (2013: £Nil).

	No.	No.
The number of employees whose emoluments fell within the following bands was:		
£60,001 to £70,000	-	1
£70,001 to £80,000	2	-
£110,001 to £120,000	-	1
£140,001 to £150,000	1	-
	=====	=====

The Academy Trust made contributions to the Teachers' Pension Scheme on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the period amounted to £45,900 (2012/2013: £25,923).

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

**TRUSTEES' REMUNERATION AND EXPENSES**

In addition to being the Accounting Officer (and also a trustee), Alex Russell was the Executive Headteacher. In respect of his role as Executive Headteacher, he received emoluments for qualifying services amounting to £144,240 (2012/2013: £120,000), and the Academy Trust incurred pension costs of £16,920 (2012/2013: £16,920) in respect of the pension benefits accruing to him under the Teachers' Pension Scheme.

In addition to being the Strategic Primary Partner (and also a trustee), Sue Tresilian was a Headteacher. In respect of her role as Headteacher, she received emoluments for qualifying services amounting to £68,642 (2012/2013: £Nil), and the Academy Trust incurred pension costs of £8,859 (2012/2013: £Nil) in respect of the pension benefits accruing to her under the Teachers' Pension Scheme.

**BOURNE EDUCATION TRUST****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014****6. STAFF COSTS (Continued)**

Other than as disclosed above, none of the trustees received any remuneration for services as a trustee of the charity or as a director of the company during the current or previous period.

During the year, two trustees received reimbursement for various minor expenses incurred in relation to the Academy Trust, and in their capacity as staff, totalling £3,155 (2012/2013: £Nil).

**TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance arranged through Zurich Insurance provides cover of up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was included within the premium for the commercial combined policy and is not separately identifiable.

**7. CENTRAL SERVICES**

The Academy Trust provided £108,068 (2012/2013: £Nil) 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 costs basis;
- Headteacher support charged on the basis of an agreed daily rate; and
- Contributions from schools to central costs charged at 1.5% of the school budget share.

The actual amounts charged during the year were as follows:

	2014 £	2013 £
Epsom and Ewell High School	18,807	-
Jubilee High School	15,153	-
Pyncroft Grange Primary School	67,768	-
Sythwood Primary School	6,340	-
Sayes Court Primary School	-	-
	<u>108,068</u>	<u>-</u>
	=====	=====

**8. RECONCILIATION OF NET CASH FLOW TO  
MOVEMENT IN NET FUNDS**

	2014 £	2013 £
Increase in cash in the period	1,809,722	397,588
Other non-cash changes	-	-
<b>CHANGE IN NET FUNDS</b>	<u>1,809,722</u>	<u>397,588</u>
Net funds at 1 September 2013	1,369,156	971,568
<b>NET FUNDS AT 31 AUGUST 2014</b>	<u>3,178,878</u>	<u>1,369,156</u>
	=====	=====

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**9. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>1 September 2013</b>	<b>Cash flows</b>	<b>Other non-cash changes</b>	<b>31 August 2014</b>
	£	£	£	£
Cash in hand, at bank	1,369,156	1,809,722	-	3,178,878
<b>NET FUNDS</b>	<u>1,369,156</u>	<u>1,809,722</u>	<u>-</u>	<u>3,178,878</u>
	=====	=====	=====	=====

**10. TANGIBLE ASSETS**

	<b>Freehold land and buildings</b>	<b>Long leasehold land and buildings</b>	<b>Plant and machinery</b>	<b>TOTAL</b>
	£	£	£	£
Cost:				
1 September 2013	14,545,135	-	99,937	14,645,072
Inherited upon conversion	15,209,899	9,466,773	106,888	24,783,560
Additions	-	13,243	163,590	176,833
<b>31 August 2014</b>	<u>29,755,034</u>	<u>9,480,016</u>	<u>370,415</u>	<u>39,605,465</u>
Depreciation:				
1 September 2013	740,870	-	10,456	751,326
Charge in the year	384,399	103,030	56,723	544,152
<b>31 August 2014</b>	<u>1,125,269</u>	<u>103,030</u>	<u>67,179</u>	<u>1,295,478</u>
<b>Net book value:</b>				
<b>31 August 2014</b>	<u>28,629,765</u>	<u>9,376,986</u>	<u>303,236</u>	<u>38,309,987</u>
	=====	=====	=====	=====
<b>31 August 2013</b>	<u>13,804,265</u>	<u>-</u>	<u>89,481</u>	<u>13,893,746</u>
	=====	=====	=====	=====

The freehold and long leasehold land and buildings inherited by the Academy Trust upon conversion were valued at £39,221,807 on an existing use value basis and a depreciated replacement cost basis by DVS Property Specialists.

	£
The cost of the above tangible assets was funded by:	
Fixed assets inherited upon conversion	39,328,695
General Annual Grant	186,415
Capital grants	90,355
	<u>39,605,465</u>
	=====

**BOURNE EDUCATION TRUST****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

	2014 £	2013 £
<b>11. DEBTORS</b>		
Amounts falling due within one year:		
Trade debtors	95,364	42,623
Other debtors	411,690	91,486
Prepayments and accrued income	384,682	53,906
	<u>891,736</u>	<u>188,015</u>
	=====	=====
<b>12. CREDITORS</b>		
Amounts falling due within one year:		
Trade creditors	296,094	90,858
Other tax and social security costs	194,823	62,417
Pension contributions payable	116,925	48,980
Other creditors	91,170	1,278
Accruals	315,379	195,658
Deferred income	86,223	17,121
	<u>1,100,614</u>	<u>416,312</u>
	=====	=====
Deferred income reconciliation:		
Deferred income brought forward at 1 September	17,121	4,079
Income released to the statement of financial activities	(17,121)	(4,079)
Income received in advance	<u>86,223</u>	<u>17,121</u>
	<u>86,223</u>	<u>17,121</u>
	=====	=====

Deferred income arises in respect of income received in advance to fund Academy Trust activities relating to the 2014/2015 academic year.

**13. PENSION AND SIMILAR OBLIGATIONS**

Retirement benefits to employees of the Academy Trust are provided by 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. These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014**

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

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

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

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

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

##### Employer and employee contribution rates

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014**

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

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

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

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

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

The Surrey Local Government Pension Scheme is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2014 amounted to £634,000, of which the employer's contributions totalled £514,000 and the employees' contributions totalled £120,000.

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

The employer contribution rate has been set at 29.9% for the period 1 April 2014 to 31 March 2015 and 30.4% for the period 1 April 2015 to 31 March 2016, with an employee contribution rate which is variable by salary and by employee. On that basis, and with increased scheme membership following the implementation of auto-enrolment on 1 April 2014, the anticipated employer payments required to be made to the scheme in the coming year amount to £642,000 (Expected for the year ended 31 August 2014: £134,000).



# **BOURNE EDUCATION TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 31 August 2014

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

The major assumptions used by the actuary were:

	2014	2013
Rate of increase in salaries	3.9%	5.1%
Rate of increase in pensions in payment	2.6%	2.8%
Discount rate	3.7%	4.6%
Inflation assumption - rpi	3.4%	2.9%
- cpi	2.6%	2.1%
	=====	=====

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

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

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

	2014	2013
Retiring today –		
Males	22.5 years	21.9 years
Females	24.6 years	24.0 years
Retiring in 20 years –		
Males	24.5 years	23.9 years
Females	26.9 years	25.9 years
	=====	=====

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

	Expected return on total assets at 31 August 2014	Value at 31 August 2014		Expected return on total assets at 31 August 2013	Value at 31 August 2013	
		£'000	%		£'000	%
Equities	6.3%	2,034	(77%)	6.6%	341	(76%)
Bonds	3.2%	449	(17%)	3.8%	76	(17%)
Property	4.5%	131	(5%)	4.7%	22	(5%)
Cash	3.3%	26	(1%)	3.6%	9	(2%)
Total market value of assets		2,640			448	
Present value of scheme liabilities		(6,433)			(1,041)	
Deficit in the scheme		(3,793)			(593)	
		=====			=====	

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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

	<b>2014</b> £'000	<b>2013</b> £'000
Analysis of the amount charged to the statement of financial activities -		
As staff costs:		
Current service cost	449	107
Past service cost	-	-
Total operating charge	<u>449</u>	<u>107</u>
As finance expense:		
Expected return on assets	(103)	(16)
Interest on liabilities	184	37
Net finance expense	<u>81</u>	<u>21</u>
Total pension costs	<u>530</u>	<u>128</u>
	=====	=====

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

	<b>2014</b> £'000	<b>2013</b> £'000
Analysis of changes in the present value of defined benefit obligations:		
Opening defined benefit obligations	1,041	844
Upon conversion to academy status	3,634	-
Employee contributions	120	30
Current service cost	449	107
Past service cost	-	-
Interest on liabilities	184	37
Actuarial losses	1,017	23
Benefits paid	(12)	-
Closing defined benefit obligations	<u>6,433</u>	<u>1,041</u>
	=====	=====

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

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

	<b>2014</b> £'000	<b>2013</b> £'000
Analysis of changes in the fair value of plan assets:		
Opening fair value of assets	448	245
Upon conversion to academy status	1,340	-
Employer contributions	514	127
Employee contributions	120	30
Expected return on assets	103	16
Actuarial gains	127	30
Benefits paid	(12)	-
Closing fair value of assets	<u>2,640</u>	<u>448</u>
	=====	=====

The actual return on plan assets was £209,000 (2012/2013: £45,000).

	<b>2014</b> £'000	<b>2013</b> £'000	<b>2012</b> £'000
Experience adjustments are as follows:			
Amounts for the period:			
Plan assets at fair value	2,640	448	245
Defined benefit obligation	(6,433)	(1,041)	(844)
Deficit	<u>(3,793)</u>	<u>(593)</u>	<u>(599)</u>
	=====	=====	=====
Experience adjustments on plan assets	127	30	14
	=====	=====	=====
Experience adjustments on plan liabilities	(190)	-	-
	=====	=====	=====

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**14. FUNDS OF THE ACADEMY TRUST**

	1 September 2013 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Actuarial losses £	31 August 2014 £
<b>Restricted fixed assets funds:</b>						
Inherited fixed assets fund	13,804,265	24,783,560	(509,133)	-	-	38,078,692
General Annual Grant fixed assets fund	16,499	-	(25,665)	163,926	-	154,760
Capital grant fixed assets fund	72,982	-	(9,354)	12,907	-	76,535
	<u>13,893,746</u>	<u>24,783,560</u>	<u>(544,152)</u>	<u>176,833</u>	<u>-</u>	<u>38,309,987</u>
<b>Restricted general funds:</b>						
General Annual Grant fund	41,051	10,808,189	(9,928,568)	(330,252)	-	590,420
LGPS deficit fund	(593,000)	(2,294,000)	(16,000)	-	(890,000)	(3,793,000)
Capital grants fund	17,350	814,078	(684,817)	(12,907)	-	133,704
Rates and insurance fund	856	104,704	(175,965)	80,349	-	9,944
Multi-academy trust set up and improvement fund	147,057	174,567	(185,792)	549	-	136,381
Special Educational Needs fund	-	575,414	(721,451)	146,037	-	-
Pupil Premium and Learning Support Unit fund	-	573,204	(624,607)	51,403	-	-
Sponsor capacity fund	-	76,025	(46,083)	-	-	29,942
16-19 Bursary fund	9,807	13,181	(22,988)	-	-	-
Children's Centre fund	-	375,377	(323,254)	-	-	52,123
Early years fund	-	215,105	(182,008)	-	-	33,097
Nurture Group fund	-	47,152	(48,186)	1,034	-	-
School Games Organiser fund	-	42,019	(50,686)	8,667	-	-
	<u>(376,879)</u>	<u>11,525,015</u>	<u>(13,010,405)</u>	<u>(55,120)</u>	<u>(890,000)</u>	<u>(2,807,389)</u>
<b>Unrestricted income funds:</b>						
General fund	924,738	1,413,032	(231,668)	(121,713)	-	1,984,389
	<u>14,441,605</u>	<u>37,721,607</u>	<u>(13,786,225)</u>	<u>-</u>	<u>(890,000)</u>	<u>37,486,987</u>
	=====	=====	=====	=====	=====	=====

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014**

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#### **14. FUNDS OF THE ACADEMY TRUST (Continued)**

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

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

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust that has been provided to the Academy Trust via the Education Funding Agency by the Department for Education. The General Annual Grant fund has been set up because the GAG must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

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

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

The Rates and insurance fund has been created to recognise the restricted funding received from the Department for Education to cover the cost to the Academy Trust of rates and insurance with any overspend being covered by a transfer from the General Annual Grant fund.

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

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

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014**

#### **14. FUNDS OF THE ACADEMY TRUST (Continued)**

The Sponsor capacity fund has been created to recognise restricted funding provided to the Academy Trust via Epsom and Ewell High School as the sponsor academy with which to support the performance and finances of the academies within the multi-academy trust structure for which it is responsible including selecting the governing body and recruiting the headteacher. The sponsor can bid for additional funding to develop its capacity to support the sponsored schools.

The 16-19 Bursary fund was previously created to recognise restricted funding which enables the Academy Trust to provide mandatory bursaries under the Department for Education scheme for certain categories of qualifying student as well as discretionary payments awarded by the trustees to other students in need of support. Due to the fact that the trustees no longer exercise discretion in respect of the distribution of these funds are now carried as a liability within the balance sheet as described in note 21.

The Children's Centre fund has been created to recognise restricted funding provided to the Academy Trust with which it works alongside local families with children under five providing information, advice and a wide range of services. These activities are funded separately by local authorities on an April to March financial year basis and cannot be supported by GAG funding.

The Early years fund has been created to recognise all restricted funding from various sources that is intended to be used to provide pre-school education for children before they reach statutory school age.

The Nurture Group fund has been created to recognise restricted funding provided to the Academy Trust with which nurture groups are set up. These nurture groups are small, structured teaching groups for pupils showing signs of behavioural, social or emotional difficulties, particularly those who are experiencing disruption or distress outside school. They are funded separately by local authorities on an April to March financial year basis. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The School Games Organiser fund has been created to recognise restricted funding provided jointly by the Department of Health and Sport England. Jointly with other local schools this funding supports the employment of a School Games Organiser through Active Surrey. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

#### **Analysis of academies by fund balance**

	<b>Total £</b>
Closing fund balances as at 31 August 2014 were distributed as follows:	
Epsom and Ewell High School	1,431,244
Jubilee High School	397,220
Pyncroft Grange Primary School	268,973
Sythwood Primary School	473,694
Sayes Court Primary School	237,921
Central services	160,948
Total fund balances before fixed assets and pension reserve	<u>2,970,000</u>
Restricted fixed assets funds	38,309,987
Pension reserve	(3,793,000)
Total fund balances	<u><u>37,486,987</u></u> =====

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

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

**Analysis of academies by cost**

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Epsom and Ewell High School	3,083,668	451,700	55,656	1,625,625	5,216,649
Jubilee High School	2,573,220	406,381	94,370	863,322	3,937,293
Pycroft Grange Primary School	620,857	94,038	15,850	547,517	1,278,262
Sythwood Primary School	1,678,566	98,716	82,379	656,553	2,516,214
Sayes Court Primary School	199,470	16,893	16,048	67,103	299,514
Central services	-	-	-	137,675	137,675
	8,155,781	1,067,728	264,303	3,897,795	13,385,607
	=====	=====	=====	=====	=====

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

	Tangible assets £	Net current assets £	Pension scheme liability £	Total £
<b>Restricted fixed assets funds:</b>				
Inherited fixed assets fund	38,078,692	-	-	38,078,692
General Annual Grant fixed assets fund	154,760	-	-	154,760
Capital grants fixed assets fund	76,535	-	-	76,535
<b>Restricted general funds:</b>				
General Annual Grant fund	-	590,420	-	590,420
LGPS deficit fund	-	-	(3,793,000)	(3,793,000)
Capital grants fund	-	133,704	-	133,704
Rates and insurance fund	-	9,944	-	9,944
Multi-academy trust set up and improvement fund	-	136,381	-	136,381
Sponsor capacity fund	-	29,942	-	29,942
Children's Centre fund	-	52,123	-	52,123
Early years fund	-	33,097	-	33,097
<b>Unrestricted income funds:</b>				
General fund	-	1,984,389	-	1,984,389
<b>NET ASSETS</b>	<b>38,309,987</b>	<b>2,970,000</b>	<b>(3,793,000)</b>	<b>37,486,987</b>
	=====	=====	=====	=====

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014**

#### **16. MEMBERS' LIABILITY**

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

#### **17. CAPITAL COMMITMENTS**

At the balance sheet date, the Academy Trust had no capital commitments either authorised and contracted for or authorised but not contracted for (31 August 2013: £19,460 in respect of the installation of electronic gates for the Academy Trust's premises at Epsom & Ewell High School).

#### **18. FINANCIAL OPERATING LEASE COMMITMENTS**

	2014	2013
	£	£
At 31 August 2014, the Academy Trust had annual commitments under non-cancellable operating leases as follows:		
In respect of plant and machinery leases -		
expiring within one year	6,506	12,590
expiring within two to five years	27,897	14,189
	=====	=====

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

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

The Academy Trust is related to Electron Control Limited, a company owned and managed by Sue Tresilian's husband. During the year, Electron Control Limited provided £15,013 (2012/2013: £Nil) of electrical and minor building works services to the Academy Trust. At the balance sheet date, the Academy Trust owed £5,044 (31 August 2013: £Nil) to Electron Control Limited.

The Academy Trust is related to Paul Browning, who is Sue Tresilian's son. During the year, Paul Browning provided £1,250 (2012/2013: £Nil) of painting services to the Academy Trust. At the balance sheet date, the Academy Trust owed £Nil (31 August 2013: £Nil) to Paul Browning.

The Academy Trust is related to Enabling Education Limited, a company owned and managed by Bob Linnell. During the year, Enabling Education Limited provided £13,390 (2012/2013: £Nil) of education and governance consultancy services to the Academy Trust. At the balance sheet date, the Academy Trust owed £Nil (31 August 2013: £Nil) to Enabling Education.

No other related party transactions have been identified for the year ended 31 August 2014 (2012/2013: None).



## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014**

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

On 30 October 2014, the Academy Trust acquired the 1 ordinary share of £1 that was issued at par upon incorporation by Bourne Education Trust Enterprises Limited, a company incorporated and registered in England and Wales under company number 09287785. Alex Russell, the Executive Headteacher, Accounting Officer and a trustee, and Kate Sanders, Trust Business Manager and Company Secretary, were appointed the first directors of the company.

On 1 December 2014, The Matthew Arnold School, which was previously a stand-alone academy in its own right, joined the Academy Trust and in doing so transferred as a going concern all of its educational operating activities together with all related assets and liabilities. The assets include the 1 ordinary share of £1 that was issued at par upon incorporation by Matthew Arnold Enterprises Limited a company incorporated and registered in England and Wales under company number 07929504.

#### **21. AGENCY ARRANGEMENTS**

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the Education Funding Agency. During the year, the Academy Trust received £13,181 (2012/2013: £4,079) and disbursed £9,180 (2012/2013: £586) with therefore at the 31 August 2014 an amount of £13,808 (31 August 2013: £9,807) repayable to the Education Funding Agency and included in other creditors.

**BOURNE EDUCATION TRUST****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014****22. CONVERSION TO ACADEMY STATUS**

On 1 September 2013, Jubilee High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from Surrey County Council for £Nil consideration.

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

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

	<b>Year Ended 31 August 2014</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2014</b>
	£	General	Fixed Assets	£
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Voluntary income				
Tangible fixed assets:				
Freehold land and buildings	-	-	11,169,855	11,169,855
Other assets	-	-	34,690	34,690
Cash at bank and in hand	46,271	6,353	-	52,624
LGPS pension deficit	-	(951,000)	-	(951,000)
<b>NET ASSETS</b>	<b>46,271</b>	<b>(944,647)</b>	<b>11,204,545</b>	<b>10,306,169</b>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**22. CONVERSION TO ACADEMY STATUS (Continued)**

On 1 December 2013, Pyrcroft Grange Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from Surrey County Council for £Nil consideration.

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

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

	<u>Year Ended 31 August 2014</u>			
	Unrestricted Funds	Restricted Funds		Total 2014
	£	General	Fixed Assets	£
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Voluntary income				
Tangible fixed assets:				
Long leasehold land and buildings	-	-	3,362,992	3,362,992
Other assets	-	-	28,356	28,356
Cash at bank and in hand	84,774	4,983	-	89,757
LGPS pension deficit	-	(355,000)	-	(355,000)
<b>NET ASSETS</b>	<b>84,774</b>	<b>(350,017)</b>	<b>3,391,348</b>	<b>3,126,105</b>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**22. CONVERSION TO ACADEMY STATUS (Continued)**

On 1 January 2014, Sythwood Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from Surrey County Council for £Nil consideration.

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

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

	<b>Year Ended 31 August 2014</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2014</b>
	£	General	Fixed Assets	£
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Voluntary income				
Tangible fixed assets:				
Long leasehold land and buildings	-	-	6,103,781	6,103,781
Other assets	-	-	43,842	43,842
Cash at bank and in hand	300,621	24,638	-	625,259
LGPS pension deficit	-	(746,000)	-	(746,000)
<b>NET ASSETS</b>	<b>300,621</b>	<b>(721,362)</b>	<b>6,147,623</b>	<b>5,726,882</b>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**22. CONVERSION TO ACADEMY STATUS (Continued)**

On 1 June 2014, Sayes Court Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from Surrey County Council for £Nil consideration.

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

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

	<b>Year Ended 31 August 2014</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		<b>Total 2014</b>
	£	General	Fixed Assets	£
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Voluntary income				
Tangible fixed assets:				
Long leasehold land and buildings	-	-	4,040,044	4,040,044
Other assets	-	-	-	-
Cash at bank and in hand	151,875	23,532	-	175,407
LGPS pension deficit	-	(242,000)	-	(242,000)
<b>NET ASSETS</b>	<b>151,875</b>	<b>(218,468)</b>	<b>4,040,044</b>	<b>3,973,451</b>