

COMPANY REGISTRATION NUMBER: 07148158

THE BOURNE ACADEMY LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

31 AUGUST 2011

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THE BOURNE ACADEMY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

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THE BOURNE ACADEMY LIMITED
COMPANY INFORMATION

The Board of Governors

Richard Baxter
Andrew Browning
Eleonore Bye
Rachel Cass
Ian Finlay
Richard Knott
John Lever
Nigel Maile
Andrew Pagett
Stephen Purdy
Adrian Smith
Ashley St John
Jacqueline Steel
Richard Warburton

Company secretary

Jacqueline Steel

Executive group

Principal – Jacqueline Steel
Vice Principal Learning Outcomes – Carol Harrison
Interim Director of Finance – Phillip Smith

Registered Office

Hadow Road
Bournemouth
Dorset, BH10 5HS

Auditor

Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London, EC4Y 8EH

Bankers

Barclays Corporate
Wytham Court
11 West Way
Oxford, OX2 0JB

Solicitors

Stone King LLP
16 St John's Lane
London, EC1M 4BS

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

The Governors (Trustees/Directors) have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2011. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 19 to 21 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005), the Academies Financial Handbook, and the Academies: Accounts Direction 2010/11 issued by the YPLA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Bourne Academy is a company limited by guarantee with no share capital. The charitable company's memorandum and articles of association are the prime governing documents of The Bourne Academy. Canford School is the Principal Sponsor of The Bourne Academy, and as such is a Member of The Bourne Academy. Other members include the Chair of the Board of Governors and up to three persons appointed by the Principal Sponsor.

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

Governors are responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

Bournemouth and Poole College is The Bourne Academy's Education Partner.

Members' Liability

The liability of the members of the Academy Trust is limited. Every member of The Bourne Academy undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Subject to the provisions of the Companies Act, every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Governors

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation. The term of office for any Governor shall be four years from the date of their appointment, save that this time limit shall not apply to the Principal. Subject to remaining eligible time to be a particular type of Governor, any Governor may be re-appointed or re-elected. The Governors who served during the year to the date of this report are as follows,

Richard Baxter (S) ^	
Andrew Browning (S)	
Eleonore Byde (S)	
Rachel Cass (S)	
Ian Finlay (LA)	
Richard Knott (S) *	
John Lever (S)	
Nigel Maile (S)	
Andrew Pagett (PG)	(appointed 14 December 2010)
Stephen Purdy (S)	
Adrian Smith (S) (RO)	(appointed 14 December 2010)
Jacqueline Steel (P)	
Ashley St John (SG)	(appointed 24 March 2011)
Lawrence Vincent	(resigned 24 March 2011)
Richard Warburton (EP)	(appointed 24 March 2011)

*	Chair of Board of Governors
^	Vice Chair of Board of Governors
S	Sponsor Governor
LA	Local Authority Governor
PG	Parent Governor
RO	Responsible Officer
P	Principal
SG	Staff Governor
EP	Educational Partner Governor

The Executive group that served during the year and to the date of this report were as follows,

Jacqueline Steel	- Principal
Carol Harrison	- Vice Principal. Learning Outcomes
Julie Currin	- Vice Principal. Business Performance (resigned 21 July 2011)
Phillip Smith	- Interim Director of Finance (appointed 10 August 2011)

During the year the full governing body held four meetings and the finance committee (a sub-committee of the full governing body) held five meetings

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Statement of Governors' Responsibilities

The governors are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws and regulations

Company Law requires the Governors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the accounting period. In preparing financial statements that give a true and fair view, the Governors are required to

- Make suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the YPLA have been applied for the purposes intended.

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Organisational Structure

During the year The Bourne Academy continued to strengthen its management structure, which was established in the implementation phase of the Academy. The structure consists of two levels, the Governors and the Executive who are the Leadership Team.

The full Governing Body consists of 14 governors as detailed on page 1. Governors are responsible for setting general policy, adopting the Academy's development plan and associated financial plans and approving the annual budget. They monitor the Academy by the use of budgets and making major decisions about the direction of the Academy, including capital expenditure and senior staff appointments.

The Governing Body has established a finance committee, whose membership includes a small number of governors, the Principal and the Vice-Principal – Business Performance, to provide scrutiny and ensure probity of all financial matters relevant to the Academy.

The day-to-day management of the Academy is carried out by the Executive, headed by the Principal and supported by two Vice Principals and the Assistant Vice Principal. They implement the policies laid down by the Governors and report back to them.

Connected Organisations

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

Risk Management

A risk management steering group has been established as part of the Academy's internal control arrangements. They conduct an ongoing review of the major risks to which the Academy has been exposed, ensure that appropriate steps have been taken as necessary to mitigate these risks and provide monthly updates of the Academy's risk register for consideration by the Leadership Team.

The principal risk facing the Academy is that future income streams may not be sufficient to cover forecast future expenditure plans. Student numbers are the key driver of the Academy's income, and the demographic trends set out in local population estimates mean that secondary school student numbers within Bournemouth are forecast to decline for the next few years, before they then begin to climb significantly following the large numbers of children presently entering primary school education within the locality. The Academy can, however, report a steady increase in pupil admissions which is expected to continue as its reputation and popularity within the locale increases.

The risk register identifies a number of other significant financial risks and puts in place effective means, including appropriate insurance cover, to mitigate these risks and safeguard the Academy's interests. The Academy also has in place systems of internal financial control which are continually reviewed and updated.

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The main objective and activity of the charitable company is to advance, for the public benefit, education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, Engineering & Design and English and in particular, but without limiting the generality of the foregoing, to counter the impact of deprivation and disadvantage on education, and to promote educational work within the community served by The Bourne Academy. In setting out our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Bourne Academy opened as an Academy on 1 September 2010. Its main strategy is encompassed in its mission statement, which is **"Everyone is a learner and everyone is a teacher"**.

The Academy aspires to become an inspiring learning centre for everyone who engages with us, with all activities and experiences in the Academy focused on learning, personal growth and supporting all the learners to lead successful, fulfilling lives. The Bourne Academy should be accessible and enjoyable for everyone who wishes to engage in learning and personal growth. Together, the Academy will succeed in developing this vision through our 6 priorities of:

- Raising aspirations of students, their parents/carers and the community, reducing absence, and ensuring that all students are in employment, education or training
- Raising standards including attainment for all years 7-11 and standards in English and mathematics
- Developing strong partnerships with parents/carers, business and the local and wider community
- Ensuring inclusive learning, namely the highest standards of learning and teaching, and a relevant and personalised curriculum for all students
- Developing a culture of Rights & Responsibilities where outstanding behaviour allows all learners to achieve success and all members of the Academy treating each other with respect
- Ensuring that leadership skills and attributes are fostered and displayed throughout the Academy by staff and students

The Bourne Academy believes that all students should be empowered to achieve and aspire to the highest possibilities, be treated with respect and treat others with respect, and enjoy the Academy. We are therefore committed to providing a caring and safe environment through the House System for all of our students so that they can learn in an atmosphere of mutual respect for each other's views and approaches to life.

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

OBJECTIVES AND ACTIVITIES *(continued)*

The Academy will develop literate, numerate global citizens who **ASPIRE**, i.e. they are

Ambitious
Self-confident
Physically Aware
Independent Learners
Reflective
Emotionally Literate

Our shared objectives are that every student

- has belief in and a positive vision for themselves, their future and their school
- is literate and able to communicate ideas clearly and confidently
- can think clearly and is able to question, make decisions and solve problems
- understands and can apply engineering and design principles to make life better for people
- is well prepared to participate in the community as a global citizen

These objectives encompass the National Curriculum's three statutory objectives - to enable all young people to become:

- Successful learners who enjoy learning, make progress and achieve
- Confident individuals who are able to live safe, healthy and fulfilling lives
- Responsible citizens who make a positive contribution to society

Equal Opportunities Policy

The Bourne Academy is an inclusive Academy in Bournemouth and the Governing Body of the Academy aim to provide an appropriate learning experience of all students, whatever their ethnicity, origin, culture, gender, religion or ability. The Academy has high expectations of all students.

The Bourne Academy recognises its commitment both to its students, staff, parents/carers and Governors, and to the wider community, based on the principle of the promotion of self-respect and respect for others. As such we believe that discrimination is unacceptable and our equal opportunities policy seeks to foster all individuals' abilities and we recognise two fundamental principles:

- The right of equal opportunity for each individual brings with it the responsibility of each individual to respect those rights for others
- The needs of one individual are not identical with those of another and we have the responsibility both to recognise the individual's needs and to respond positively to them

A Class Charter and an Out of Class Charter have been developed in consultation with students, to make the UN Convention on the Rights of the Child a real and meaningful guide to action on a day to day basis. This will develop a sense of ownership of classroom learning and out of school behaviour and is a key step on our journey towards becoming a Rights Respecting School.

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

OBJECTIVES AND ACTIVITIES *(continued)*

Disabled Persons

The Academy aspires to be an enabling organisation and views disability and human diversity as part of its core makeup and not as an additional consideration

The Academy recognises its responsibilities under the Disability Discrimination Act

- Not to discriminate against current or prospective employees with disabilities because of a reason relating to their disabilities, and
- Not to discriminate, with justification, against students or prospective students with a disability, in all aspects of Academy life (This policy operates in conjunction with the Academy's Special Educational Needs Policy)

A person is recognised as having a disability if he or she has a physical or mental impairment that has a substantial and long term adverse effect on his or her ability to carry out normal day-to-day activities

The staff of the Academy have two duties to students with disabilities

- Not to treat students with a disability less favourably, and,
- To take reasonable steps to avoid putting students with a disability at a substantial disadvantage

An accessibility plan will be developed to improve access to education at the Academy for students with disabilities in the following areas

- Improved access to the curriculum
- Physical improvements to increase access to education
- Improvements in the provision of information in a range of formats for students with a disability

ACHIEVEMENTS AND PERFORMANCE

Over its first year in operation the Academy has already begun to raise student attainment. During this year 46% of students attained five good grades at GCSE, including both English and mathematics. This represents a 9% increase on results attained by the predecessor school in 2010. Boys' attainment has risen, although it remains lower than that for girls.

Pastoral care is provided to the students through the house and tutor system and the growing assertive mentoring scheme implemented by the Academy. This, coupled with the support provided through after-school sessions, is being effective in accelerating students' progress, preparing them for examinations and promoting their sense of well-being.

The Academy has put in place a Student Council and welcomes the positive contribution to the school community that this council, and its associated sub-committees, has made. They are playing a significant part in shaping the direction of the academy and allowing the students to develop their ability to ASPIRE.

THE BOURNE ACADEMY LIMITED**THE GOVERNORS' REPORT****YEAR ENDED 31 AUGUST 2011****ACHIEVEMENTS AND PERFORMANCE** *(continued)*

The Academy has developed links with its sponsor, Canford School, during the year. There have been many opportunities for students from both schools to work together and it is expected that this provision will expand over the coming years.

After the year end the Academy underwent a monitoring inspection by Ofsted. This was carried out in October 2011 with the judgment being that the Academy is making good progress towards raising student standards.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

The year to 31 August 2011 is the first full financial / academic year that the Academy has operated and functioned as a school. As such, the results look very different to the comparative period (period to 31 August 2010), when the Academy was in the implementation phase and preparing to open as a school on 1 September 2010.

The accounting function for the Academy has evolved and changed over the year, adapting to the financial freedom that is associated with being an Academy. A financial checklist has been prepared detailing the procedures in place and this is reviewed and updated on an ongoing basis to ensure that the financial policies and controls used are appropriate and consistently applied. This is supported by the reviews carried out by the Responsible Officer (see Statement of Internal Controls).

The Academy receives the majority of its funding from the Young Persons Learning Agency (YPLA), which is split into three main areas, the General Annual Grant (calculated from the number of pupils enrolled in the Academy), the start up grant, and grants for other purposes as applied for by the Academy. Other income is received from the Local Authority (Bournemouth Borough Council), the Specialist Schools and Academies Trust and through other activities carried out by the Academy.

Total income for the year amounted to £5,078,253. The total amount received from the YPLA during the year was £4,551,301 which makes up 89.6% of the year's total income. The component parts of the YPLA funding are as follows,

- £3,389,104 for the General Annual Grant (GAG)
- £881,403 for start up grant
- £2,949 for the final part of the implementation grant
- £197,083 in respect of grants to cover redundancy and compromise agreement costs
- £42,000 in respect of the national challenge support grant
- £24,940 in respect of pupil premium funding
- £13,822 for capital purposes

THE BOURNE ACADEMY LIMITED**THE GOVERNORS' REPORT****YEAR ENDED 31 AUGUST 2011****FINANCIAL REVIEW** *(continued)*

The Academy also received funds totalling £526,952 from a number of other sources as follows,

- £369,333 from the local authority (£118,699 for standard funding, £118,370 for capital purposes, £76,174 for special educational needs and £56,090 for other purposes including funding for managed pupil moves)
- £12,800 from the Specialist Schools and Academies Trust (for mock inspections/observations)
- £64,364 from parents and pupils for contributions towards school trips
- £30,000 donated as a gift in kind, representing assets transferred in from the predecessor school
- £38,732 raised through uniform and tuition sales, sale of staff services and hire of facilities
- £11,723 of other small grants and receipts, including bank interest received

Income, which is received with a stipulation of the terms on how it is to be expended, is included within the restricted funds and the associated expenditure is also taken to these funds. Where income is received specifically for capital purposes then it is included within the restricted fixed assets fund. All other restricted income is included within the restricted general funds.

The total expenditure for the Academy for the year amounted to £3,971,644 and is fully associated with providing education to the students attending the Academy. This is done through the provision of teaching staff, educational materials and resources and ensuring that the infrastructure is in place to support this provision.

The largest item of expenditure for the Academy is the cost of its employees, who are made up of teaching, educational support staff and administration staff. Staffing costs for the year, including redundancies and supply cover costs, came to £2,962,187 which is 74.6% of the total expenditure. £280,496 has been spent during the year on the upkeep and maintenance of the school premises with the remainder spent on other areas, such as training and development of staff, student welfare and examinations and IT. A full breakdown of the costs for the Academy can be seen in note 8 to the financial statements.

The Academy achieved a net surplus for the year, prior to actuarial losses on the pension scheme, of £1,106,609. This is greater than expected by the Governors, but does not take into consideration the sum of £147,477 of assets acquired during the year which have been capitalised into the balance sheet (see note 12).

The Academy has restated the figures for the financial period ended 31 August 2010 to include the actuarial loss on the Local Government Pension Scheme (LGPS) at that date of £390,000. This has resulted in the Academy now recognising net outgoing funds for that period of £328,764.

A small gain of £12,000 has occurred on the LGPS during this financial year which has been recognised in the Statement of Financial Activities. After taking this into consideration the Academy has achieved an overall surplus for the year of £1,118,609.

At 31 August 2011 the Academy had funds totalling £789,845. Of this £764,954 is contained within the restricted funds, a breakdown of which can be seen in note 15 to the financial statements.

THE BOURNE ACADEMY LIMITED

THE GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2011

FINANCIAL REVIEW *(continued)*

Reserves Policy and Financial Position

The Academy aims to have funds on reserve to enable us to meet our ongoing operating costs. The Governors intend to review the reserve levels of the Academy annually to ensure that this policy remains appropriate and to ensure that this provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As at 31 August 2011 the Academy held total fund balances of £789,845. Of this the free reserves (which include the carried forward funds in relation to the General Annual Grant, but excluding other restricted funds) amounted to £92,673. The Governors have determined that this level of free reserves does not meet the required level and will consider strategies over the coming months to increase the level of free reserves.

Investment Policy

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

PLANS FOR FUTURE PERIODS

In future years there will continue to be ongoing reviews of structure and procedures across the Academy.

The Academy will shortly embark on an extensive building programme to refurbish and expand the existing premises and will be funded directly by Partnerships for Schools (PfS). The programme will increase the overall capacity of the Academy to 1050, including a dedicated sixth form centre for up to 150 post 16 learners. Work on the project is scheduled to commence in 2012 with planned completion by September 2013.

The Governors continue to look forward to the years ahead and believe that the Academy will be an exciting place with the power to transform lives.

AUDITOR

Crowe Clark Whitehill LLP has expressed its willingness to continue in office as statutory auditor and a resolution proposing its re-appointment will be submitted to the forthcoming Annual General Meeting.

The report of the Governors was approved by the Governors on 13 December 2011 and signed on their behalf by



RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY LIMITED
STATEMENT ON INTERNAL CONTROL
YEAR ENDED 31 AUGUST 2011

Statement on the system of internal financial controls

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bourne Academy for the year ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that have been in place for the year ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy's system of internal control is based on a framework of regular management information and administrative procedures, including the segregation of duties and a system of delegation and accountability. In particular, it includes;

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the finance committee or reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties
- identification and management of risks

THE BOURNE ACADEMY LIMITED
STATEMENT ON INTERNAL CONTROL *(continued)*
YEAR ENDED 31 AUGUST 2011

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Adrian Smith, a governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Governors confirm that the RO's function has been fully delivered in line with the YPLA's requirements.

Review of Effectiveness

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

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

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

Approved by order of the members of the Governing Body on **13 December 2011** and signed on its behalf by



RICHARD KNOTT
Chair of Governors



JACQUELINE STEEL
Accounting Officer

THE BOURNE ACADEMY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2011

We have audited the financial statements of The Bourne Academy Limited for the year ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 21.

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 Annual Accounts Direction [2010/11] issued by the Young Peoples' Learning Agency

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 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, including the Annual Accounts Direction [2010/11] issued by the Young Peoples' Learning Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE BOURNE ACADEMY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2011 *(continued)*

Opinion on other matter prescribed by the Young Peoples' Learning Agency/Department for Education

In our opinion the grants received from the Young Peoples' Learning Agency/Department for Education have been applied for the intended purpose

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Timothy Baines
Senior Statutory Auditor

For and on behalf of;
Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date 12 December 2011

THE BOURNE ACADEMY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 AUGUST 2011

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £	Restated Total 2010 £
INCOMING RESOURCES						
Incoming resources from generated funds.						
Voluntary income	3	-	-	30,000	30,000	-
Activities for generating funds	4	27,506	11,226	-	38,732	-
Investment income	5	455	-	-	455	-
Incoming resources from charitable activities						
Funding for the Academy's educational operations	6	-	4,811,274	132,192	4,943,466	378,132
Income from educational trips		-	64,364	-	64,364	-
Other income		1,236	-	-	1,236	13,241
TOTAL INCOMING RESOURCES		29,197	4,886,864	162,192	5,078,253	391,373
RESOURCES EXPENDED						
Charitable activities:						
Academy's educational operations	7/8	5,472	3,935,682	15,262	3,956,416	329,932
Governance costs	7/9	-	15,228	-	15,228	205
TOTAL RESOURCES EXPENDED		5,472	3,950,910	15,262	3,971,644	330,137
NET INCOMING RESOURCES BEFORE TRANSFERS						
Gross transfers between funds		23,725	935,954	146,930	1,106,609	61,236
		-	(147,477)	147,477	-	-
NET INCOME FOR THE YEAR		23,725	788,477	294,407	1,106,609	61,236
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains / (losses) on defined benefit pension schemes		-	12,000	-	12,000	(390,000)
NET MOVEMENT IN FUNDS		23,725	800,477	294,407	1,118,609	(328,764)
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2010		1,166	(356,094)	26,164	(328,764)	-
FUNDS CARRIED FORWARD AT 31 AUGUST 2011		24,891	444,383	320,571	789,845	(328,764)

All of the Academy's activities derive from continuing operations

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 19 to 35 form part of these financial statements

THE BOURNE ACADEMY

BALANCE SHEET

31 AUGUST 2011

	Note	2011 £	2010 restated £
FIXED ASSETS			
Tangible Assets	12	156,796	26,164
CURRENT ASSETS			
Stock		11,747	9,300
Debtors	13	228,974	202,322
Cash at bank and in hand		1,000,382	118,487
		<u>1,241,103</u>	<u>330,109</u>
CREDITORS: Amounts falling due within one year	14	<u>(230,054)</u>	<u>(295,037)</u>
NET CURRENT ASSETS		<u>1,011,049</u>	<u>35,072</u>
Net assets excluding pension liability		<u>1,167,845</u>	<u>61,236</u>
Pension scheme liability	21	<u>(378,000)</u>	<u>(390,000)</u>
TOTAL NET ASSETS/LIABILITIES		<u>789,845</u>	<u>(328,764)</u>
FUNDS			
Restricted funds			
Restricted general funds	15		
Pension deficit reserve		(378,000)	(390,000)
Other restricted general funds		<u>822,383</u>	<u>33,906</u>
		<u>444,383</u>	<u>(356,094)</u>
Restricted fixed asset funds	15	<u>320,571</u>	<u>26,164</u>
		<u>764,954</u>	<u>(329,930)</u>
Unrestricted funds			
General funds	16	<u>24,891</u>	<u>1,166</u>
TOTAL FUNDS		<u>789,845</u>	<u>(328,764)</u>

The financial statements were approved and authorised for issue by the Governors on ~~13 December 2011~~ and signed on their behalf by



RICHARD KNOTT
Chair of Governors

Company Registration number, 07148158

The notes on pages 19 to 35 form part of these financial statements

THE BOURNE ACADEMY

CASH FLOW

31 AUGUST 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	19	896,725	144,773
Returns on investments and servicing of finance	19	455	-
Capital expenditure and financial investment	19	(15,285)	(26,286)
Increase in cash in the year		<u>881,895</u>	<u>118,487</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2010		118,487	-
Net funds at 31 August 2011	19	<u>1,000,382</u>	<u>118,487</u>

The notes on pages 19 to 35 form part of these financial statements

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES

Format of the financial statements

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance applicable accounting standards, the Charities SORP 2005, the Academies Accounts Direction 2010/11 issued by the YPLA, and the Companies Act 2006

Going concern

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

Incoming Resources

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

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

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

Other income – other income, including the hire of facilities, is recognised in the period it is receivable and to the extent that the service to be provided is completed

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

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES *(continued)*

Resources Expended

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

Costs of generating funds – these are costs incurred in attracting voluntary income.

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

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

Tangible Fixed Assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

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

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

Stock

Stocks are valued at the lower of cost or net realisable value.

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES *(continued)*

Taxation

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

Operating lease agreements

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

Pensions

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

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contributions scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

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

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES *(continued)*

Fund Accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors

Restricted general funds comprise grants from the Young People's Learning Agency and other donors which are to be used for specific purposes

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

Prior Period Adjustment

The figures for the period ended 31 August 2010 have been restated to include the deficit of £390,000 on the LGPS which was transferred to the Academy on that date. This has had the effect of reducing the Academy's funds as at 31 August 2010 from £61,236 to a deficit of £328,764

2. GENERAL ANNUAL GRANT (GAG)

a. Results and Carry Forward for the Year

	2011 £	2010 £
GAG brought forward from previous year	21,629	-
GAG received in advance of year to be utilised	-	70,000
GAG allocation for current year	<u>3,389,104</u>	<u>-</u>
Total available GAG to spend	3,410,733	70,000
Recurrent expenditure from GAG	(3,195,474)	(22,085)
Fixed assets purchased from GAG	<u>(147,477)</u>	<u>(26,286)</u>
GAG carried forward to next year	<u>67,782</u>	<u>21,629</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>406,692</u>	<u>n/a</u>
GAG to surrender to DfE (12% rule breached if result is positive)	<u>(338,910)</u>	<u>n/a</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

2. GENERAL ANNUAL GRANT (GAG) (continued)

b. Use of GAG brought forward from previous year for recurrent purposes

Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes.

	2011 £	2010 £
Recurrent expenditure from GAG in current year	3,040,353	-
GAG allocation for current year	(3,389,104)	-
2% of GAG allocation for previous year	(1,400)	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(350,151)	-
<i>(2% rule breached if result is positive)</i>	<i>No breach</i>	<i>n/a</i>

3. VOLUNTARY INCOME

	Unrestricted funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Gifts in kind	-	30,000	-	-

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Hire of facilities	10,108	-	10,108	-
Uniform sales	14,380	-	14,380	-
Staff services and tuition income	1,555	11,226	12,781	-
Commission and book income	1,463	-	1,463	-
	27,506	11,226	38,732	-

Monies received in respect of staff services represent funds received towards the cost of PE staff who provide specialist PE and sports support to primary schools within The Academy's catchment area.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Short term deposits	455	-	455	-
	455	-	455	-

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2011 £	Total 2010 £
YPLA revenue grant				
General Annual Grant - note 2	-	3,389,104	3,389,104	70,000
Start up grants	-	881,403	881,403	-
Implementation grant	-	2,949	2,949	295,855
Devolved formula capital grant	-	13,822	13,822	-
Other grants	-	264,023	264,023	-
	-	<u>4,551,301</u>	<u>4,551,301</u>	<u>365,855</u>
Other Government grants				
Local authority – school development grant	-	118,699	118,699	-
Local authority - SENCO	-	76,174	76,174	12,277
Local authority – devolved formula capital grant	-	118,370	118,370	-
Local authority – other grants	-	56,090	56,090	-
Specialist Schools and Academies Trust	-	12,800	12,800	-
Other grants and payments	-	10,032	10,032	-
	-	<u>392,165</u>	<u>392,165</u>	<u>12,277</u>
	-	<u>4,943,466</u>	<u>4,943,466</u>	<u>378,132</u>

7. RESOURCES EXPENDED

	Staff costs £	Premises £	Other costs £	Total 2011 £	Total 2010 £
Academy's educational operations					
Direct costs	2,530,912	14,747	465,025	3,010,684	60,447
Implementation costs	-	-	-	-	269,485
Allocated support costs	474,489	265,749	205,494	945,732	-
	<u>3,005,401</u>	<u>280,496</u>	<u>670,519</u>	<u>3,956,416</u>	<u>329,932</u>
Governance costs	366	-	14,862	15,228	205
	<u>3,005,767</u>	<u>280,496</u>	<u>685,381</u>	<u>3,971,644</u>	<u>330,137</u>

Incoming / (outgoing) resources for the year include:

	2011 £	2010 £
Depreciation	46,845	122
Fees payable to the auditor for audit	<u>11,640</u>	<u>2,644</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

8. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Direct costs				
Teaching and educational support				
staff costs	-	2,530,912	2,530,912	-
Depreciation	-	14,747	14,747	-
Educational books and equipment	-	85,594	85,594	20,903
Examination fees	-	50,302	50,302	-
Staff development and training	-	69,610	69,610	-
School uniforms	-	27,802	27,802	35,368
Information technology	-	73,659	73,659	4,054
External education provision	-	65,469	65,469	-
Educational trips	-	52,979	52,978	-
Student welfare and counselling	-	18,749	18,749	-
Work related learning	-	16,752	16,752	-
Other direct costs	-	4,109	4,109	122
	-	3,010,684	3,010,684	60,477
Implementation costs				
Staff costs	-	-	-	174,764
Marketing, advertising and recruitment	-	-	-	21,084
Training and development	-	-	-	26,116
Catering	-	-	-	3,688
Travel and subsistence	-	-	-	1,758
Telephone	-	-	-	1,974
Printing, postage and stationary	-	-	-	5,159
Insurance	-	-	-	956
Information technology	-	-	-	8,903
Consultancy fees	-	-	-	19,275
Bank charges	-	-	-	348
Audit fees	-	-	-	2,644
Depreciation	-	-	-	122
Other costs	-	-	-	2,694
	-	-	-	269,485

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

8. CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS *(continued)*

	Unrestricted funds	Restricted Funds	Total 2011	Total 2010
	£	£	£	£
Allocated support costs				
Staff costs	5,472	469,017	474,489	-
Depreciation	-	32,098	32,098	-
Maintenance of premises	-	93,388	93,388	-
Cleaning	-	69,134	69,134	-
Rates and utilities	-	71,129	71,129	-
Insurance	-	31,151	31,151	-
Marketing	-	8,921	8,921	-
Catering	-	63,706	63,706	-
Office and postage	-	56,405	56,405	-
Subscriptions and licences	-	15,944	15,944	-
Consultancy and human resources	-	28,882	28,882	-
Bank interest and charges	-	485	485	-
	<u>5,472</u>	<u>940,260</u>	<u>945,732</u>	<u>-</u>

9. GOVERNANCE COSTS

	Unrestricted funds	Restricted Funds	Total 2011	Total 2010
	£	£	£	£
Legal and professional fees	-	1,863	1,863	-
Auditor’s remuneration	-	11,640	11,640	-
Support costs	-	1,151	1,151	-
Governor’s meeting costs	-	208	208	-
Governors’ reimbursed expenses	-	366	366	205
	<u>-</u>	<u>15,228</u>	<u>15,228</u>	<u>205</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

10. STAFF COSTS

Staff costs during the period were

	2011 £	2010 £
Wages and salaries	2,334,983	141,665
Social security costs	174,469	13,333
Pension costs	318,612	19,766
	<u>2,828,064</u>	<u>174,764</u>
Supply teacher costs	62,265	-
Redundancy costs	71,858	-
	<u>2,962,187</u>	<u>174,764</u>

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

	2011 No.	2010 No.
Teachers	59	-
Administration and support	36	4
Management	4	-
	<u>99</u>	<u>4</u>

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

	2011 No.	2010 No.
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

Two of the above employees participated in the Teachers' Pension Scheme. During the year pension contributions for these staff amounted to £23,274 (2010 – one employee, whose contributions were £10,590). The other employee participated in the Local Government Pension Scheme and their pension contributions amounted to £10,936 (2010 – nil).

11. GOVERNORS REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the Principal's remuneration was £100,033 (2010 – £74,800). The value of the staff governors remuneration was £51,647 (2010 – there was no staff governor).

During the year travel and subsistence expenses were reimbursed to 2 Governors totalling £366 (2010 – £205 was reimbursed to 2 Governors).

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

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

11. GOVERNORS REMUNERATION AND EXPENSES *(continued)*

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business

12. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Fixtures, Fittings & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2010	-	-	26,286	-	26,286
Transferred from predecessor school	-	10,000	-	20,000	30,000
Additions	-	65,394	82,083	-	147,477
Disposals	-	-	-	-	-
At 31 August 2011	-	75,394	108,369	20,000	203,763
Depreciation					
At 1 September 2010	-	-	122	-	122
Charge for year	-	15,374	27,471	4,000	46,845
Eliminated on disposal	-	-	-	-	-
At 31 August 2011	-	15,374	27,593	4,000	46,967
Net book value					
At 31 August 2011	-	60,020	80,776	16,000	156,796
At 31 August 2010	-	-	26,164	-	26,164

The Academy occupies the site of its predecessor school, which is owned by the Local Authority, under a short term Tenancy at Will agreement (see note 20). The value of the property has not been brought into the financial statements due to the extensive building programme which is to commence during the 2011/12 academic year. Once the building work is completed, and the lease with the Local Authority signed, the value of the site will be incorporated into the financial statements.

13. DEBTORS

	2011 £	2010 £
Owing from the YPLA	197,083	202,146
Prepayments and accrued income	31,891	176
	228,974	202,322

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

14. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	108,394	291,102
Other taxation, social security and pension liabilities	88,050	-
Other creditors, accruals and deferred income	33,610	3,935
	<u>230,054</u>	<u>295,037</u>

15. RESTRICTED FUNDS

	<i>Restated</i> Balance at 1 September 2010 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2011 £
Restricted General Funds					
General Annual Grant	21,629	3,389,104	(3,195,474)	(147,477)	67,782
Implementation grant	-	2,949	(2,949)	-	-
Start up grant	-	881,403	(157,753)	-	723,650
Other YPLA grants	-	264,023	(264,023)	-	-
LA – school development	-	118,699	(118,699)	-	-
LA – SENCO	-	76,174	(76,174)	-	-
LA – other grants	-	56,090	(38,090)	-	18,000
Specialist Schools and Academies Trust	12,277	12,800	(25,077)	-	-
Other grants	-	10,032	(10,032)	-	-
Educational trips	-	64,364	(51,413)	-	12,951
Pension reserve	(390,000)	-	-	12,000	(378,000)
	<u>(356,094)</u>	<u>4,886,864</u>	<u>(3,950,910)</u>	<u>(135,477)</u>	<u>444,383</u>
Restricted Fixed Asset Funds					
YPLA – implementation grant	26,164	-	(8,762)	-	17,402
YPLA – general annual grant	-	-	-	147,477	147,477
YPLA – capital grant	-	13,822	-	-	13,822
Assets transferred from predecessor school	-	30,000	(6,500)	-	23,500
LA – capital grant	-	118,370	-	-	118,370
	<u>26,164</u>	<u>162,192</u>	<u>(15,262)</u>	<u>147,477</u>	<u>320,571</u>
Total Restricted Funds	<u>(329,930)</u>	<u>5,049,056</u>	<u>(3,966,172)</u>	<u>12,000</u>	<u>764,954</u>

General Annual Grant – this fund represents the Government funding, through the YPLA, for the provision of education by the Academy

Implementation grant – this fund relates to the set up costs of the Academy, which must be expended in line with cost plans submitted to the Department for Education

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

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

15. RESTRICTED FUNDS *(continued)*

Other YPLA grants – this fund represents Government funding, received through the YPLA, for specific purposes as claimed by the Academy. This year the majority of funding has been received to cover cost of teacher redundancies and compromise agreements made during the year.

LA – school development grants – this represents funds received from the Local Authority to assist with the general development of the school.

LA – SENCO fund – this represents funds received from the Local Authority to cover the cost of providing teaching assistants for students with special educational needs.

Specialist Schools and Academies Trust – this represents funding from the SSAT for the provision of training and development.

Other grants – this represents funds received to assist with other activities, this year towards the cost of a student's residential trip and training.

Educational trips - this fund represents monies raised, through parents, students and outside sources, to cover the cost of running various day and residential trips for the students. The funds carried forward relate to grants received during the year to be spent on future trips.

Pension reserve - this represents the deficit on the Local Government Pension Scheme. The figures for the period ended 31 August 2010 have been restated to include the inherited deficit of the scheme as at 31 August 2010 of £390,000. The movement on the fund deficit for the year (a surplus of £12,000) has been taken from the YPLA general annual grant. This has been transferred into the pension reserve fund.

Restricted Fixed Asset fund – this represents funds received from organisations for capital purposes. Funds received during the year are for the refurbishment and replacement of the windows throughout the school premises and are unspent at the Balance Sheet date. The gross transfer from the restricted general fund to the restricted fixed asset fund of £147,477 represents fixed asset expenditure funded by the General Annual Grant. Assets transferred to the Academy from its predecessor school on 1 September 2010 have been included as gift in kind income. The costs within this fund are the depreciation costs of the assets included within the fund.

16. UNRESTRICTED FUNDS

	Balance at 1 September 2010	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2011
	£	£	£	£	£
General fund	<u>1,166</u>	<u>29,197</u>	<u>(5,472)</u>	<u>-</u>	<u>24,891</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted Funds	Restricted Fixed Assets Fund	Total 2011
	£	£	£	£
Tangible fixed assets	-	-	156,796	156,796
Current assets	24,891	822,383	163,775	1,011,049
Pension scheme liability	-	(378,000)	-	(378,000)
	<u>24,891</u>	<u>444,383</u>	<u>320,571</u>	<u>789,845</u>

18. MEMBERS' LIABILITIES

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

19. NOTES TO THE CASH FLOW STATEMENTS**Reconciliation of net income to net cash inflow from operating activities**

	2011 £	2010 £
Net income	1,106,609	61,236
Depreciation	46,845	122
Assets transferred from predecessor school	(30,000)	-
Capital grants from YPLA and other sources	(132,192)	-
Interest receivable	(455)	-
Increase in stock	(2,447)	(9,300)
Increase in debtors	(26,652)	(202,322)
(Decrease) / increase in creditors	(64,983)	295,037
	<u>896,725</u>	<u>144,773</u>

Returns on investment and servicing of finance

Interest receivable on short term deposits	<u>455</u>	<u>-</u>
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Capital expenditure and financial investment

Purchase of tangible fixed assets	(147,477)	(26,286)
Capital grants form YPLA	13,822	-
Capital grants from the local authority	118,370	-
	<u>(15,285)</u>	<u>(26,286)</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2011

19. NOTES TO THE CASH FLOW STATEMENTS *(continued)*

Analysis of change in net funds

	At 1 September 2010 £	Cash flows £	At 31 August 2011 £
Cash at bank and in hand	<u>118,487</u>	<u>881,895</u>	<u>1,000,382</u>

20. LEASE COMMITMENTS

The Academy has entered into a licence to occupy the premises of the predecessor school, which are owned by Bournemouth Borough Council. The agreement is currently in a format of a Tenancy at Will for a peppercorn rent and will be altered to a long term lease once the planned building programme is completed (due to commence in the 2011/12 academic year and be completed by September 2013).

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

The Bourne Academy took over the pension scheme from its predecessor school on the day that the Academy opened, 1 September 2010. As such no comparative information is presented for the pension schemes.

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates. The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

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

THE BOURNE ACADEMY LIMITED
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21. PENSION COMMITMENTS *(continued)*

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The figures for the period ended 31 August 2010 have been restated to include the scheme deficit of £390,000 inherited from the predecessor school at that date.

The total contribution made for the year ended 31 August 2011 was £165,000, of which employer's contributions totalled £121,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are 18.8% for employers and between 5.5% and 7.5% for employees.

Principal Actuarial Assumptions

At 31 August

	2011
Rate of increase in salaries	4.7%
Rate of increase for pensions in payment / inflation	2.6%
Discount rate for scheme liabilities	5.4%
Inflation assumption (CPI)	2.6%
Commutation of pensions to lump sums	50%

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

**At 31 August
2011**

Retiring today:

Males	19.8
Females	23.9

Retiring in 20 years:

Males	21.9
Females	25.8

THE BOURNE ACADEMY LIMITED
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21. PENSION COMMITMENTS *(continued)*

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

	Expected return at 31 Aug 2011	Fair value at 31 Aug 2011 £'000
Equities	6.8%	284
Gilts	3.8%	110
Other bonds	5.4%	-
Property	4.8%	35
Cash	3.0%	45
Target return portfolio	5.0%	25
Total market value of assets		499
Present value of scheme liabilities - funded		(877)
(Deficit) in the scheme		(378)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. 1 September 2010 to 31 August 2011). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £42,000.

Amounts recognised in the Statement of Financial Activities

	Fair value at 31 Aug 2011 £'000
Current service cost (net of employee contributions)	148
Past service cost	-
Total operating charge	148
Analysis of pension finance income / (costs)	
Expected return on scheme assets	(22)
Interest on pension liabilities	37
Pension finance income / (costs)	15

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £378,000 loss (2010 restated - £390,000).

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS *(continued)*

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

	2011 £'000
On transfer in from predecessor school	682
Current service cost	148
Interest cost	37
Employee contributions	44
Actuarial (gains) / losses	(34)
At 31 August 2011	877

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

	2011 £'000
On transfer in from predecessor school	292
Expected return on scheme assets	22
Actuarial gains / (losses)	20
Employer contributions	121
Employee contributions	44
At 31 August 2011	499

The estimated value of employer contributions for the year ended 31 August 2012 is £128,000

The experience adjustments are as follows:

	2011 £'000
Present value of defined benefit obligations	(877)
Fair value of share of scheme assets	499
Deficit in the scheme	(378)
	2011 £'000
Experience adjustment on share of scheme assets	20
Experience adjustments on scheme liabilities	-