

**COMPANY REGISTRATION NUMBER:
07148158 (ENGLAND AND WALES)**

**THE BOURNE ACADEMY LIMITED
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013**

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THE BOURNE ACADEMY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

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THE BOURNE ACADEMY LIMITED**REFERENCE AND ADMINISTRATIVE DETAILS**

The Board of Governors	Eleonore Bye Sue Churchill Caroline Foster Richard Knott John Lever David Neill Nigel Maile Andrew Pagett Adrian Smith Ashley St John Jacqueline Steel Andre Van Heerden Ben Vessey Neil Watkins Richard Warburton
Company secretary	Richard Ashdown
Executive group	Principal – Jacqueline Steel Vice Principal Learning Outcomes – Carol Harrison Business Director – Caroline Gobell Business Director – Alison Rogers
Principal & Registered Office	Hadow Road Bournemouth Dorset, BH10 5HS
Auditor	Crowe Clark Whitehill LLP Statutory Auditor Carrick House Lypiatt Road Cheltenham GL50 2QL
Bankers	Barclays Corporate Wytham Court 11 West Way Oxford, OX2 0JB
Solicitors	Blake Lapthorn New Kings Road Tollgate Chandlers Ford Eastleigh Hampshire, SO53 3LG

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

The Governors (Trustees/Directors) have pleasure in presenting their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2013

The financial statements have been prepared in accordance with the accounting policies on pages 25 to 28 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 2012/13 issued by the EFA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Bourne Academy Limited (known as The Bourne Academy) is a company limited by guarantee and an exempt charity 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 fifteen Governors consisting of nine Sponsor Governors, one Local Authority Governor, one Staff Governor, one Parent Governor, one Educational Partner Governor, one Community Representative Governor and the Principal, who is an ex-officio 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 is limited. Every member of The Bourne Academy undertakes to contribute such amount as may be required (not exceeding £10) to the Academy'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.

Trustee Indemnities

Subject to the provisions of the Companies Act, each Governor or other officer or auditor of the Academy 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

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Governors

The Governors are directors of the charitable company for the purposes of company law 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,

Eleonore Byde (S) ^	
Rachel Cass (S)	(resigned 20 June 2013)
Sue Churchill (C)	
Ian Finlay (LA)	(resigned 31 May 2013)
Caroline Foster (LA)	(appointed 4 July 2013)
Richard Knott (S) *	
John Lever (S)	
Nigel Maile (S)	
David Neill (S)	(appointed 14 March 2013)
Andrew Pagett (PG)	
Stephen Purdy (S)	(resigned 9 September 2013)
Adrian Smith (S) (RO)	(resigned as RO in January 2013)
Jacqueline Steel (P)	
Ashley St John (SG)	
Andre Van Heerden (S)	(appointed 26 September 2013)
Ben Vessey (S)	(appointed 26 September 2013)
Neil Watkins (S)	(appointed 14 March 2013)
Richard Warburton (EP)	

*	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
C	Community Representative 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
Richard Youngs	- Director of Business Strategy (resigned 15 March 2013)
Phillip Smith	- Interim Director of Finance (resigned 15 August 2013)
Caroline Gobell	- Business Director (appointed 1 September 2013)
Alison Rogers	- Business Director (appointed 1 September 2013)

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

During the year the full Governing Body held four meetings and the finance committee (a sub-committee of the full Governing Body) held three meetings

Organisational Structure

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

The full Governing Body consists of 15 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 Interim Director of Finance / Business Director, to provide scrutiny and ensure probity of all financial matters relevant to the Academy.

The Governing Body has established committees with responsibility for Staffing, Building, Education, Risk Management and Appeals. These committees sit as and when required throughout the academic year. A number of Governors have also been appointed to have responsibility of various aspects of the Academy's life and further committees will be established, as required, to assist those Governors with their duties.

The day-to-day management of the Academy is carried out by the Executive group (as detailed on page 3), which is headed by the Principal, with additional support from 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 committee has been established as part of the Academy's internal control arrangements. They conduct an on-going 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 decreasing until 2014/15, before they then begin to climb significantly following the large numbers of children presently within local primary education.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

Risk Management *(continued)*

The Academy continues to report a steady increase in pupil admissions which is expected to continue as its reputation and popularity within the local community 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 regularly reviewed and updated.

OBJECTIVES AND ACTIVITIES

Objects, Aims and Public Benefit

The principal 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.

Objectives, Strategies and Activities

The Academy's 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 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 LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

OBJECTIVES AND ACTIVITIES *(continued)*

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 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

Equality Policy

The Bourne Academy's Equality Policy brings together all previous policies, schemes and action plans around equality including those that we had previously for Race, Gender and Disability. The Equality Policy has been developed as part of the Academy's commitment to our duties under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations. We are further committed to the development and promotion of cohesive communities both within the Academy's physical boundaries and within our local, national and global environments.

The Academy and the Governing Body embraces the aim of working together with others to improve the educational and wellbeing outcomes for children and young people, which is pivotal to our central belief that everyone is a learner and everyone is a teacher, and notes the rights set out in the UN Convention on the Rights of the Child, the UN Convention on the Rights of People with Disabilities, and the Human Rights Acts 1998.

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

OBJECTIVES AND ACTIVITIES *(continued)*

The Academy seeks to embed equality of access, opportunity and outcome for all members of The Bourne Academy community, within all aspects of Academy life. In working towards this, we are guided by the following key concepts:

- **Shared humanity** Identifying commonality and shared values, aspirations and needs underpins our approach to equality. We value our fundamental similarities and universality.
- **Valuing difference and diversity** We recognise and respect difference and look for ways of celebrating and understanding them better.
- **Personal and cultural identity** We will provide opportunities to explore and value the complexity of our personal and cultural identities.
- **Interdependence, interaction and influence** The Academy recognises that, as they evolve, distinct cultures, beliefs and lifestyles will impact on and inform each other.
- **Social cohesion** We foster positive attitudes, relationships and a shared sense of cohesion and belonging within the Academy and our local community.
- **Excellence** We will develop literate, numerate global citizens who ASPIRE, and to recognise and support high personal and collective achievement throughout our local, national and global communities.
- **Fairness and social justice** We will develop our understanding of the inequalities and barriers that already exist in society and explore ways to reduce and remove them and promote a more equitable society.

We will ensure that we identify opportunities for promoting our vision, the key concepts, guiding principles, develop non-statutory policies, and our duties on equality legislation across all aspects of Academy life.

The Academy will actively promote and disseminate its Policy and any revisions to the Policy will be published as and when appropriate. We aim to continue to maintain positive and on-going engagement with the wider Bourne Academy community of staff, Governors, students, parents and partner agencies and will do so through a wide range of forums.

ACHIEVEMENTS AND PERFORMANCE

In November 2012 the Academy underwent a full inspection by Ofsted, with the Academy receiving a 'Good' in 3 out of the 4 judgment areas and a 'Requires Improvement' in the final area. As a result the Academy received an overall effectiveness grade of 'Requires Improvement'.

The area which required improvement relates to the Achievement of Pupils and Ofsted acknowledged that this is due to the Academy having to deal with a history of low achievement in the predecessor school. However, Ofsted saw rapid progress being made in lessons and concluded that 'Strong leadership has driven the Academy's improvement from an exceptionally low base so that it is now well on the way to becoming good.'

THE BOURNE ACADEMY LIMITED**GOVERNORS REPORT****YEAR ENDED 31 AUGUST 2013****ACHIEVEMENTS AND PERFORMANCE** *(continued)*

The Academy focused on continuing to raise standards throughout the year and this was substantiated by our best ever exam results on the school site, with 59% of students obtaining 5 A* - C grades including English and Maths and 81% of students obtaining 5 A* - C grades

The English and Science GCSE results were significantly improved this year with the percentage of students achieving a C+ grade being 81% in English (2012 – 37%) and 80% in 2 Sciences (2012 – 18%) Both subjects achieved results well above the national average The majority of other GCSE subjects improved on their prior year results and nine of these subjects achieved results higher than the national average

The Academy is conscious that there is still room to improve on the achievements of our students and has put in place a number of strategies to assist in maximising students' abilities Mathematics will be a particular focus in the coming year as the Academy plans to raise achievement even further in this subject to match English and Science results

Pupil Premium funding is received in addition to our main government funding and is given to schools and academies to help narrow the attainment gap between pupils from low income families and their peers and the Academy has utilised this funding during the year to good effect Various initiatives were implemented with the aim of narrowing the achievement gap between students eligible for pupil premium and the wider student cohort There was an improvement in the GCSE results for students eligible for pupil premium this year, with 40% achieving 5 A*-C grades including English and Maths (this is the same as national figures for 2012), compared to 35% in 2012 and 11% in 2011 The Academy recognises it educates a relatively high number of students who may at some point of their education have been eligible for Free School Meals (FSM) – about a third of all pupils - and has spent considerable time analysing the data and tracking the progress of these student groups, and in particular that of pupil premium funded students The data collected has informed the development of the Bourne Academy Pupil Premium Action Plan for the coming year that identifies a range of additional target interventions to support our most vulnerable and disadvantaged groups of students Further information regarding this can be found in the 'Future Developments' section

The Academy has also put strategies in place to stretch our more able students to ensure that they maximise their achievements These strategies include a programme of extra lessons and activities, personalised career interviews, individual mentor and career fairs The Academy was proud to have won Aim Highers' prize for doing the most of any school in the southwest to support students to overcome social barriers into higher education last year

Pastoral care continues to be provided to the students through the House and tutor system and the assertive mentoring scheme implemented by the Academy The emotional well-being and attitude to learning of the students continues to remain a priority and the effectiveness of our Heads of House work in this area can be seen through the continued improvement in student attendance throughout the academic year Additional pastoral care and support is provided through after-school curriculum enrichment sessions, which has been effective in accelerating students' progress, preparing them for examinations and promoting their sense of well-being

The Student Council for the year, led by the Head Boy and Head Girl, continued to be a positive force within the Academy and the Academy welcomes the positive contributions 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

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

ACHIEVEMENTS AND PERFORMANCE *(continued)*

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

In April 2012 the Academy embarked on an extensive building programme to refurbish and expand the existing premises, which is being funded directly by the EFA (formerly Partnerships for Schools). This programme continued throughout the 2012/13 academic year and is expected to be reach practical completion due before the end of 2013. The Academy's new English/Maths block, Sports and Art departments and new hall were completed at the end of the year and the Academy is delighted to be providing such a fresh new learning environment for the students. The remaining buildings of the predecessor school have been revamped and the new 6th floor block was available for the Academy to use from September 2013.

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. Further details regarding the adoption of the going basis can be found in the Statement of Accounting Policies (page 25).

FINANCIAL REVIEW

Throughout the year the Academy continued to develop the accounting functions, building on the upgrades implemented at the end of the prior year. The financial checklist, detailing the procedures in place, continues to be reviewed and updated on an on-going basis to ensure that the financial policies and controls used are appropriate and consistently applied.

The Academy receives the majority of its funding from the Education Funding Agency (EFA). The income received from the EFA 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) and through other activities carried out by the Academy.

Total income for the year amounted to £14,376,213 which included the transferred in value of the Academy buildings of £10,094,043. Actual funding received during the year amounted to £4,282,170 (2012 - £5,076,904). The total amount received from the EFA during the year was £4,059,254 (2012 - £3,976,831) which makes up 94.8% (2012 - 78.3%) of the year's total funding (28.2% of total income recorded). The component parts of the EFA funding are as follows,

- £3,333,715 for the General Annual Grant (GAG),
- £505,332 for start-up grant,
- £197,801 in respect of pupil premium funding, incorporating Year 7 transition and summer school funding,
- £13,113 for capital purposes and
- £9,293 for other purposes

THE BOURNE ACADEMY LIMITED

GOVERNORS REPORT

YEAR ENDED 31 AUGUST 2013

FINANCIAL REVIEW *(continued)*

The Academy also received funds totalling £229,739 (2012 - £1,100,073) from a number of other sources as follows,

- £73,294 from the local authority (£63,617 for special educational needs and £9,677 for other purposes including funding for managed pupil moves),
- £86,487 from parents and pupils for contributions towards school trips,
- £31,265 raised through uniform and tuition sales, sale of staff services and hire of facilities,
- £9,017 from The Teaching Agency to reimburse teachers' golden hello payments,
- £5,000 from The Valentine Trust towards a new minibus and
- £12,176 of other small grants and receipts, including bank interest received

As mentioned elsewhere, the Academy is in the final stages of completing an extensive building programme. Although completion of the programme has not yet occurred the Academy has use of the new and refreshed premises and the value of the building programme (£10,094,043) has been brought into the financial statements as an asset transferred from the Local Authority.

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 £4,552,519 (2012 - £4,376,287) 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 £3,216,244 (2012 - £3,095,386) which is 70.6% (2012 - 71.3%) of the total expenditure and 75.1% of income received in the year (when excluding the value of assets transferred into the Academy).

£149,510 (2012 - £363,291) has been spent during the year on the upkeep and maintenance of the school premises. In 2012 an increased cost in this area was seen due to repairs carried out in connection with the building project. The remainder of the expenditure was spent on 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 9 to the financial statements.

On its educational provision the Academy achieved a deficit of £107,467 (2012 - a deficit of £102,383). A deficit was expected by the Governors for this year, but they are pleased by the results as the deficit is reduced from that originally budgeted (a deficit of £357,000) and forecast earlier in the year. This improvement has been achieved through additional funding raised throughout the year for various activities and also an additional £106,000 received from the EFA in September 2013, in respect of additional GAG funding for increased pupil numbers. Overall, the Academy achieved a net surplus for the year, prior to actuarial losses on the pension scheme, of £9,823,694 which incorporates the value of the building (£10,094,043) transferred from the Local Authority, less the deficit on educational provision of £107,467 and finance costs associated with the Local Government Pension Scheme.

THE BOURNE ACADEMY LIMITED**GOVERNORS REPORT****YEAR ENDED 31 AUGUST 2013****FINANCIAL REVIEW** *(continued)*

The Academy's associate staff members belong to the Local Government Pension Scheme (LGPS), which is a defined benefit pension scheme. The LGPS had an interim actuarial valuation as at 31 August 2013, and using the assumptions detailed in note 25 to the accounts, the deficit on the scheme was calculated to be £734,000, this has resulted in an actuarial loss on the scheme of £107,000 being recognised in the financial statements.

Overall, the Academy had a net movement in funds of £9,798,694 (2012 - £488,617) and as at 31 August 2013 the Academy had funds totalling £11,077,156 (2012 - £1,278,462). Of this £11,044,224 (2012 - £1,251,264) is contained within the restricted funds, a breakdown of which can be seen in note 17 to the financial statements.

Reserves Policy and Financial Position

The Academy aims to have funds on reserve that enable us to meet our on-going operational 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 2013 the Academy held total fund balances of £11,077,156. 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 £99,606 (2012 - £89,845). 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

The Academy will continue to carry out on-going reviews of structure and procedures across the Academy with revisions taken as and when required.

As previously mentioned the Academy embarked on an extensive building programme to refurbish and expand the existing premises in April 2012, with practical completion due before the end of 2013. The programme will increase the overall capacity of the Academy from 650 students to 1050, including a dedicated sixth form centre for up to 150 post 16 learners.

The Academy opened a new 6th form in September 2013, which is housed in a dedicated 6th Form Centre. Over the next year the Academy will focus on the development of the new 6th form, which will include strengthening the curriculum (with an emphasis on one of our specialist subjects of Engineering and Design), improving links with European higher education institutions (Saxion University of Applied Sciences in The Netherlands and VIA University College in Denmark) in order to provide the best possible all round learning experience for our students and marketing.

THE BOURNE ACADEMY LIMITED**GOVERNORS REPORT****YEAR ENDED 31 AUGUST 2013****PLANS FOR FUTURE PERIODS** *(continued)*

The Academy has created the role of Pupil Premium Co-ordinator, to ensure that the Academy's Pupil Premium funding is used to maximum effect and the focus for the next academic year will be to meet the relevant students individual learning needs. In order to achieve this, each pupil premium student will fill out an 'entitlement plan' that highlights any barriers they have to their learning, this will incorporate staff contributions. Once the barriers are recognisable, the Academy will use a combination of peer mentoring, multiple enrichment projects with Bournemouth University and the Bournemouth Sussed team, CPD sessions on feedback and one to one tutoring sessions in core subjects, as well as many other strategies, to overcome them. To ensure that the Academy is utilising the funding effectively an external Pupil Premium consultant will assess where the Academy stands in relation to Ofsted criteria and attainment compared to other schools.

The Academy has recently appointed Caroline Gobell and Alison Rogers as joint Business Directors, who will lead on developing business and sponsorship opportunities from external partners and organisations for the Academy. The Business Director forms part of the Executive group as detailed on page 3.

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

Insofar as the Governors are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 3/12/13 and signed on their behalf by



RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY LIMITED

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility to ensure 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. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statements of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governors was as follows,

Governor	Meetings attended	Out of a possible
Eleonore Bye	4	4
Rachel Cass	1	3
Sue Churchill	4	4
Caroline Foster	1	1
Ian Finlay	1	3
Richard Knott (<i>chair</i>)	4	4
John Lever	4	4
David Neill	2	2
Nigel Maile	3	4
Andrew Pagett	3	4
Stephen Purdy	2	4
Adrian Smith	3	4
Jacqueline Steel	4	4
Ashley St John	3	4
Neil Watkins	1	2
Richard Warburton	-	4

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to monitor the Academy's finances over the year, which includes, levels of funding (indicative and actual), budgets and the medium term prospects, monitor and review the financial procedures within the Academy and receive the auditors' reports and recommendations. The Finance Committee is required to report back to the full Governing Body and make recommendations as required for the full Governing Body approval. Meetings of the Finance Committee are generally held 4-5 weeks prior to a full Governors' Meeting.

THE BOURNE ACADEMY LIMITED

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

Attendance at the meetings during the year was as follows

Governor	Meetings attended	Out of a possible
Richard Knott	3	3
Nigel Maile (<i>chair</i>)	3	3
Adrian Smith (as RO)	-	1
Adrian Smith (as member of committee)	1	1
Jacqueline Steel	3	3

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 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 2013 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the year ending 31 August 2013 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 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

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular review by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans,
- setting targets to measure financial and other performance,
- segregation of duties,
- identification and management of risks

The Governors will be reviewing these processes during the 2013/14 academic year in order to strengthen the Academy's system of financial control and confirm its robustness.

THE BOURNE ACADEMY LIMITED**GOVERNANCE STATEMENT****YEAR ENDED 31 AUGUST 2013**

A Responsible Officer, Adrian Smith, was in place during part of the 2012/13 academic year but resigned in January 2013. The Governing Body is in the process of reviewing the options available to them but, in the meantime, have appointed the Local Authority to provide an internal audit service for the 2013/14 academic year.

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 3/12/13 and signed on its behalf by



RICHARD KNOTT
Chair of Governors



JACQUELINE STEEL
Accounting Officer

THE BOURNE ACADEMY LIMITED
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2013

As Accounting Officer of The Bourne Academy I have considered my responsibility to notify the Academy's 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 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's Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.



JACQUELINE STEEL
Accounting Officer

THE BOURNE ACADEMY LIMITED
STATEMENT OF GOVERNORS' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2013

The Governors (who act as trustees for charitable activities of The Bourne Academy Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and 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 Charitable Company will continue in business

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

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

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

Approved by order of the members of the Governing Body on 3/12/13 and signed on its behalf by



RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of The Bourne Academy Limited for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 25

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2013 issued by the Education Funding Agency

This report is made solely to the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 2013 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

THE BOURNE ACADEMY LIMITED
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE BOARD OF TRUSTEES OF THE BOURNE ACADEMY
FOR THE YEAR ENDED 31 AUGUST 2013 *(continued)*

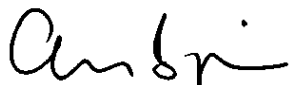
Opinion on other matter prescribed by the Companies Act 2006

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



Guy Biggin
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

Date 9 December 2013

THE BOURNE ACADEMY LIMITED**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE
BOURNE ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2013**

In accordance with the terms of our engagement letter dated 12 November 2012 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the Bourne Academy during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bourne Academy and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bourne Academy and the EFA, for our work, for this report, or for the opinion we have formed

Respective responsibilities of the Bourne Academy's Accounting Officer and the Reporting Auditor

The accounting officer is responsible, under the requirements of the Bourne Academy's funding agreement with the Secretary of State for Education dated 24 February 2010 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review

THE BOURNE ACADEMY LIMITED

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE
BOURNE ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2013 *(continued)***

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Andrew Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House,
Lypiatt Road,
Cheltenham
GL50 2QJ

Date *9 December 2013*

THE BOURNE ACADEMY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account
YEAR ENDED 31 AUGUST 2013

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	-	5,677	10,094,043	10,099,720	5,108
Activities for generating funds	4	31,265	8,221	-	39,486	40,006
Investment income	5	2,793	-	-	2,793	1,559
Incoming resources from charitable activities						
Funding for the Academy's educational operations	6	-	4,128,452	13,113	4,141,565	4,954,353
Income from educational trips		-	86,487	-	86,487	29,690
Other income	7	879	5,283	-	6,162	46,188
TOTAL INCOMING RESOURCES		34,937	4,234,120	10,107,156	14,376,213	5,076,904
RESOURCES EXPENDED						
Charitable activities:						
Academy's educational operations	8/9	29,203	4,332,929	170,687	4,532,829	4,366,333
Governance costs	8/10	-	19,690	-	19,690	9,954
TOTAL RESOURCES EXPENDED		29,203	4,352,629	170,687	4,552,519	4,376,287
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
Gross transfers between funds		-	-	-	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		5,734	(118,509)	9,936,469	9,823,694	700,617
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses) on defined benefit pension schemes		-	(25,000)	-	(25,000)	(212,000)
NET MOVEMENT IN FUNDS		5,734	(143,509)	9,936,469	9,798,694	488,617
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2012		27,198	112,000	1,139,264	1,278,462	789,845
FUNDS CARRIED FORWARD AT 31 AUGUST 2013		32,932	(31,509)	11,075,733	11,077,156	1,278,462

All of the Academy's activities derive from continuing operations during the above two financial periods

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 25 to 44 form part of these financial statements.

THE BOURNE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible Assets	14	10,865,652	122,141
CURRENT ASSETS			
Stock		17,131	6,623
Debtors	15	344,277	299,407
Cash at bank and in hand		1,157,047	1,846,409
		<u>1,518,455</u>	<u>2,152,439</u>
LIABILITIES			
Creditors Amounts falling due within one year	16	(572,951)	(369,118)
NET CURRENT ASSETS		<u>945,504</u>	<u>1,783,321</u>
Total assets less current liabilities		11,811,156	1,905,462
Pension scheme liability	25	(734,000)	(627,000)
TOTAL NET ASSETS		<u>11,077,156</u>	<u>1,278,462</u>
FUNDS			
Restricted funds			
Restricted general funds	17		
Pension deficit reserve		(734,000)	(627,000)
Other restricted general funds		<u>702,491</u>	<u>739,000</u>
		<u>(31,509)</u>	<u>112,000</u>
Restricted fixed asset funds	17	<u>11,075,733</u>	<u>1,139,264</u>
		11,044,224	1,251,264
Unrestricted funds			
General funds	18	<u>32,932</u>	<u>27,198</u>
TOTAL FUNDS		<u>11,077,156</u>	<u>1,278,462</u>

The financial statements on pages 22 to 44 were approved and authorised for issue by the Governors on 31/12/2013 and signed on their behalf by



RICHARD KNOTT
Chair of Governors

Company Registration number 07148158

The notes on pages 25 to 44 form part of these financial statements.

THE BOURNE ACADEMY**CASH FLOW****31 AUGUST 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	23	98,593	26,074
Returns on investments and servicing of finance	23	2,793	1,559
Capital expenditure and financial investment	23	(790,748)	818,394
(Decrease) / Increase in cash in the year		<u>(689,362)</u>	<u>846,027</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		1,846,409	1,000,382
Net funds at 31 August 2013	24	<u>1,157,047</u>	<u>1,846,409</u>

The notes on pages 25 to 44 form part of these financial statements.

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

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 with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts Direction issued by the EFA, and the 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 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, which is at least 12 months from the date of approval of the financial statements. 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 goods have been provided or on completion of service.

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 2013

1. ACCOUNTING POLICIES *(continued)*

Resources expended

Resources expended are recognised in the period in which a liability is 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 net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

Depreciation will not be provided on long leasehold assets until leases are signed.

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 2013

1. ACCOUNTING POLICIES *(continued)*

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the 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 on a straight line basis over the period of the lease.

Pension benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, 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 25, 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 2013

1. ACCOUNTING POLICIES *(continued)*

Fund accounting

Unrestricted income fund (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 Education Funding 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

2. GENERAL ANNUAL GRANT (GAG)

a. Results and Carry Forward for the Year

	2013 £	2012 £
GAG brought forward from previous year	62,647	67,782
GAG allocation for current year	3,333,715	3,132,372
Total available GAG to spend	3,396,362	3,200,154
Recurrent expenditure from GAG	(3,329,688)	(3,102,552)
Fixed assets purchased from GAG	-	(34,955)
GAG carried forward to next year	<u>66,674</u>	<u>62,647</u>
 Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	 <u>400,046</u>	 <u>375,885</u>
 GAG to surrender to DfE (12% rule breached if result is positive)	 <u>(333,372)</u>	 <u>(313,238)</u>

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

	2013 £	2012 £
Recurrent expenditure from GAG in current year	3,329,688	3,102,552
GAG allocation for current year	(3,333,715)	(3,132,372)
2% of GAG allocation for previous year	(62,051)	(67,782)
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	<u>(66,078)</u>	<u>(97,602)</u>
<i>(2% rule breached if result is positive)</i>	<i>No breach</i>	<i>No breach</i>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

3. VOLUNTARY INCOME

	Unrestricted funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
Donations	-	5,677	5,677	5,108
Transfers from the Local Authority	-	10,094,043	10,094,043	-
	<u>-</u>	<u>10,099,720</u>	<u>10,099,720</u>	<u>5,108</u>

Transfers from the Local Authority relate to the value of the building programme carried out by the Local Authority on the Academy buildings. The value brought into the financial statements equates to the value of the building programme (see note 14)

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
Hire of facilities	9,210	-	9,210	8,538
Uniform sales	17,422	-	17,422	21,103
Staff services	4,416	7,600	12,016	9,060
Year 11 Prom ticket sales	-	621	621	-
Commission and book income	217	-	217	1,305
	<u>31,265</u>	<u>8,221</u>	<u>39,486</u>	<u>40,006</u>

Monies received in respect of staff services include 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 2013	Total 2012
	£	£	£	£
Short term deposits	<u>2,793</u>	<u>-</u>	<u>2,793</u>	<u>1,559</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2013 £	Total 2012 £
EFA revenue grant				
General Annual Grant - note 2	-	3,333,715	3,333,715	3,132,372
Start-up grants	-	505,332	505,332	741,692
Pupil Premium	-	197,801	197,801	71,418
Devolved formula capital grant	-	13,113	13,113	13,349
Other grants	-	9,293	9,293	18,000
	-	<u>4,059,254</u>	<u>4,059,254</u>	<u>3,976,831</u>
Other Government grants				
Local authority - SENCO	-	63,617	63,617	91,473
Local authority – capital grant	-	-	-	840,000
Local authority – other grants	-	9,677	9,677	46,049
Other grants and payments	-	9,017	9,017	-
	-	<u>82,311</u>	<u>82,311</u>	<u>977,522</u>
	-	<u>4,141,565</u>	<u>4,141,565</u>	<u>4,954,353</u>

7. OTHER INCOME

	Unrestricted funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Reimbursement re building programme	-	5,283	5,283	-
Income from insurance claims	-	-	-	45,772
Miscellaneous income	879	-	879	416
	<u>879</u>	<u>5,283</u>	<u>6,162</u>	<u>46,188</u>

8. RESOURCES EXPENDED

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2013 £	Total 2012 £
Academy's educational operations					
Direct costs	2,682,807	106,169	642,459	3,431,435	3,128,358
Allocated support costs	578,171	159,712	363,511	1,101,394	1,237,975
	<u>3,260,978</u>	<u>265,881</u>	<u>1,005,970</u>	<u>4,532,829</u>	<u>4,366,333</u>
Governance costs					
	-	-	19,690	19,690	9,954
	<u>3,260,978</u>	<u>265,881</u>	<u>1,025,660</u>	<u>4,552,519</u>	<u>4,376,287</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

8. RESOURCES EXPENDED *(continued)*

(Incoming) / outgoing resources for the year include:

	2013	2012
	£	£
Depreciation	148,365	67,280
Fees payable to auditor - audit	9,730	9,450
- other services	1,300	550
Loss on disposal of fixed assets	<u>6,028</u>	<u>2,330</u>

9. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Direct costs				
Teaching and educational support staff costs	-	2,682,807	2,682,807	2,621,282
Depreciation	-	106,169	106,169	26,906
Educational books and equipment	-	157,330	157,330	94,459
Examination fees	-	84,689	84,689	48,115
Staff development and training	-	41,981	41,981	32,278
School uniforms	22,079	-	22,079	25,802
Information technology	-	48,535	48,535	49,187
External education provision	-	104,038	104,038	144,191
Educational trips	-	113,316	113,316	33,990
Student welfare and counselling	-	38,479	38,479	21,590
Work related learning	-	32,012	32,012	30,558
	<u>22,079</u>	<u>3,409,356</u>	<u>3,431,435</u>	<u>3,128,358</u>
Allocated support costs				
Staff costs	7,124	571,047	578,171	507,378
Depreciation & loss on disposal	-	48,224	48,224	42,705
Maintenance of premises	-	(27,774)	(27,774)	194,036
Cleaning	-	51,874	51,874	52,339
Rates and utilities	-	87,388	87,388	74,936
Insurance	-	38,022	38,022	41,980
Marketing	-	30,806	30,806	15,409
Catering	-	78,927	78,927	67,772
Office and postage	-	57,319	57,319	48,505
Subscriptions and licences	-	9,209	9,209	11,757
Consultancy and human resources	-	127,809	127,809	160,452
Finance charges re LGPS	-	21,000	21,000	20,000
Bank interest and charges	-	419	419	706
	<u>7,124</u>	<u>1,094,270</u>	<u>1,101,394</u>	<u>1,237,975</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

10. GOVERNANCE COSTS

	Unrestricted funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
Legal and professional fees	-	6,021	6,021	260
Auditor's remuneration	-	11,030	11,030	8,110
Support costs	-	1,170	1,170	990
Governors' training and meeting costs	-	1,242	1,242	400
Governors' reimbursed expenses	-	227	227	194
	<u>-</u>	<u>19,690</u>	<u>19,690</u>	<u>9,954</u>

11. STAFF COSTS

Staff costs during the period were

	2013	2012
	£	£
Wages and salaries	2,463,537	2,474,097
Social security costs	194,713	185,318
Pension costs	406,368	362,154
	<u>3,064,618</u>	<u>3,021,569</u>
Supply teacher costs	100,126	47,990
Redundancy costs	51,500	25,827
	<u>3,216,244</u>	<u>3,095,386</u>

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

	2013	2012
	No.	No
Charitable Activities		
Teachers	56	61
Administration and support	35	35
Management	4	3
	<u>95</u>	<u>99</u>

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

	2013	2012
	No.	No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
In excess of £100,000	1	1
	<u>1</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the year pension contributions for these three staff amounted to £34,022 (2012 – two staff amounted to £19,740)

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

12. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and staff governor 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 £110,000 (2012 – £105,000). The value of the staff governor's remuneration was in the £60,000 - £65,000 salary range (2012 – £55,000 - £60,000).

During the year travel and subsistence expenses were reimbursed to 1 governor totalling £227 (2012 - £194 was reimbursed to 1 governor).

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

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,412 (2012 - £1,386).

14. TANGIBLE FIXED ASSETS

	Long Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2012	-	80,542	134,318	20,000	234,860
Additions	63,532	9,832	730,497	-	803,861
Transfers in	10,094,043	-	-	-	10,094,043
Disposals	-	-	(36,787)	-	(36,787)
At 31 August 2013	<u>10,157,575</u>	<u>90,374</u>	<u>828,028</u>	<u>20,000</u>	<u>11,095,977</u>
Depreciation					
At 1 September 2012	-	34,284	70,439	7,996	112,719
Charge for year	-	20,875	123,489	4,001	148,365
Eliminated on disposal	-	-	(30,759)	-	(30,759)
At 31 August 2013	<u>-</u>	<u>55,159</u>	<u>163,169</u>	<u>11,997</u>	<u>230,325</u>
Net book value					
At 31 August 2013	<u>10,157,575</u>	<u>35,215</u>	<u>664,859</u>	<u>8,003</u>	<u>10,865,652</u>
At 31 August 2012	<u>-</u>	<u>46,258</u>	<u>63,879</u>	<u>12,004</u>	<u>122,141</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

14. TANGIBLE FIXED ASSETS *(continued)*

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 21). In 2011/12 an extensive building programme to revamp and extend the Academy's buildings commenced and this is due for completion before the end of 2013. Once the building programme, and the 12 month defect period, is completed the long lease between the Academy and the Local Authority will be signed. The Academy took use of the new buildings at the end of the 2012/13 academic year and as such the value of the building programme has been brought into the financial statements and classified as Long Leasehold Land and Buildings in anticipation of the lease being signed. Depreciation will commence once the lease with the Local Authority has been signed.

15. DEBTORS

	2013	2012
	£	£
Trade debtors	5,283	24,205
Other debtors	135,568	166,905
Prepayments and accrued income	203,426	108,297
	<u>344,277</u>	<u>299,407</u>

16. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	414,685	151,294
Other taxation, social security and pension liabilities	57,076	58,173
Other creditors, accruals and deferred income	101,190	159,651
	<u>572,951</u>	<u>369,118</u>

Deferred Income

	2013
	£
Deferred income at 1 September 2012	26,029
Resources deferred in the year	4,403
Amounts released from previous years	<u>(26,029)</u>
Deferred income at 31 August 2013	<u>4,403</u>

The value of deferred income included above relates to educational trips which are occurring in future periods, for which monies have already been received.

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

17. RESTRICTED FUNDS

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2013 £
Restricted General Funds					
General Annual Grant	62,647	3,333,715	(3,328,688)	(1,000)	66,674
Start-up grant	667,702	505,332	(548,056)	-	624,978
Pupil Premium	-	198,420	(175,403)	(23,017)	-
Other EFA grants	-	9,293	(9,293)	-	-
LA – SENDCO	-	63,617	(63,617)	-	-
LA – other grants	-	9,677	(9,677)	-	-
Other Government grants	-	15,998	(15,998)	-	-
Other grants and donations	-	11,581	(6,581)	-	5,000
Educational trips	8,651	86,487	(113,316)	24,017	5,839
Pension reserve	(627,000)	-	(82,000)	(25,000)	(734,000)
	<u>112,000</u>	<u>4,234,120</u>	<u>(4,352,629)</u>	<u>(25,000)</u>	<u>(31,509)</u>
	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2013 £
Restricted Fixed Asset Funds					
EFA – implementation grant	8,640	-	(8,640)	-	-
EFA – general annual grant	128,079	-	(57,631)	-	70,448
EFA – capital grant	27,171	13,113	-	-	40,284
Assets transferred from predecessor school	17,004	-	(6,501)	-	10,503
LA – ICT capital grant	840,000	-	(80,882)	-	759,118
LA – Land & Buildings	-	10,094,043	-	-	10,094,043
LA – capital grant	118,370	-	(17,033)	-	101,337
	<u>1,139,264</u>	<u>10,107,156</u>	<u>(170,687)</u>	<u>-</u>	<u>11,075,733</u>
Total Restricted Funds	<u>1,251,264</u>	<u>14,341,276</u>	<u>(4,523,316)</u>	<u>(25,000)</u>	<u>11,044,224</u>

General Annual Grant – this fund represents the Government funding, through the EFA, for the provision of education by the Academy (see note 2 for restrictions)

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

Pupil Premium – this fund represents Government funding received through the EFA, and other government bodies, to provide additional support to students who qualify for Free School Meals in order to raise their attainment and funding to assist Year 6 students in their transition to Year 7 and secondary school. Expenditure this year has been spent in a variety of areas including, one-to-one tuition, literacy support, breakfast club, mentoring and providing financial assistance for these students to attend educational trips (the transfer out of the fund). A summer school for students coming into Year 7 and support for those entering Year 7 at below national average attainment levels has also been provided this year.

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

17. RESTRICTED FUNDS *(continued)*

Other EFA grants – this fund represents Government funding, received through the EFA, for specific purposes as claimed by the Academy. All funds received have been spent in accordance with their purpose.

LA – SENDCO fund – this represents top-up funding received from the Local Authority to assist in providing teaching assistants for statemented students with special educational needs.

LA – other grants – this represents funding from the Local Authority to reimburse teaching resources and pupil placement funding.

Other Government grants – this represents funding from Government agencies, other than the EFA and the LA. Funds received this year relate to reimbursement of teaching golden hellos and a sports programme.

Other grants and donations – this represents funds received to assist with other activities, this year funding has been received from The Bourne Academy's Parent Voice to assist with the cost of various activities around the Academy. £5,000 was received from The Valentine Trust to assist in the purchase of a new minibus, this money remains unspent at the year end.

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 funds received during the year to be spent on future trips.

Pension reserve - this represents the deficit on the Local Government Pension Scheme. The costs/movements relating to the fund for the year have been taken from the EFA 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 related to general capital funding and the value of the Academy buildings transferred from the Local Authority. The costs within this fund are the depreciation costs of the assets included within the fund.

18. UNRESTRICTED FUNDS

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2013 £
General fund	27,198	34,937	(29,203)	-	32,932

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted Funds	Restricted Fixed Assets Fund	Total 2013
	£	£	£	£
Tangible fixed assets	-	-	10,865,652	10,865,652
Current assets	32,932	1,275,442	210,081	1,518,455
Current liabilities	-	(572,951)	-	(572,951)
Pension scheme liability	-	(734,000)	-	(734,000)
	<u>32,932</u>	<u>(31,509)</u>	<u>11,075,733</u>	<u>11,077,156</u>

20. 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

21. 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 and 12 month defect period is completed. The building programme commenced during the 2011/12 academic year and is due for completion before the end of 2013.

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows,

	2013		2012	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Expiring within two to five years	<u>-</u>	<u>18,027</u>	<u>-</u>	<u>-</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

22. CAPITAL COMMITMENTS

	2013 £	2012 £
Contracted for, but not provided in the financial statements	<u>110,000</u>	<u>840,000</u>

The capital commitment relates to the ICT redevelopment throughout the Academy which was due to take place during the 2012/13 academic year. Due to delays in the building programme the implementation of the ICT refresh project was delayed and as a result £110,000 remains unspent at 31 August 2013. Funding for this redevelopment was received from the Local Authority in the 2011/12 academic year.

23. NOTES TO THE CASH FLOW STATEMENTS

Reconciliation of net income to net cash inflow from operating activities

	2013 £	2012 £
Net income	9,823,694	700,617
Depreciation	148,365	67,280
Loss on disposal of fixed assets	6,028	2,330
Assets transferred from Local Authority	(10,094,043)	-
Non-cash items in relation to LGPS	82,000	37,000
Capital grants from EFA and other sources	(13,113)	(853,349)
Interest receivable	(2,793)	(1,559)
(Increase) / decrease in stock	(10,508)	5,124
(Increase) in debtors	(44,870)	(70,433)
Increase in creditors	203,833	139,064
Net cash inflow from operating activities	<u>98,593</u>	<u>26,074</u>

Returns on investment and servicing of finance

Interest receivable on short term deposits	<u>2,793</u>	<u>1,559</u>
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Capital expenditure and financial investment

Purchase of tangible fixed assets	(803,861)	(34,955)
Capital grants from EFA	13,113	13,349
Capital grants from the local authority	-	840,000
Net cash outflow from capital expenditure & financial investment	<u>(790,748)</u>	<u>818,394</u>

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

24. ANALYSIS OF CHANGE IN NET FUNDS

	At 1 September 2012	Cash flows	At 31 August 2013
	£	£	£
Cash at bank and in hand	1,846,409	(689,362)	1,157,047

25. 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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS *(continued)*

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of $1/57^{\text{th}}$, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS *(continued)*

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. A scheme deficit of £390,000 was inherited from the predecessor school on 1 September 2010.

The total contribution made for the year ended 31 August 2013 was £180,000 (2012 - £185,000), of which employer's contributions totalled £135,000 (2012 - £139,000) and employees' contributions totalled £45,000 (2012 - £46,000). The agreed contribution rates until 31 March 2014 are 18.8% for employers and between 5.5% and 7.5% for employees. From 1 April 2014 the contribution rates will be revised.

Principal Actuarial Assumptions	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.9%	3.9%
Rate of increase for pensions in payment / inflation	2.9%	1.9%
Discount rate for scheme liabilities	4.7%	3.9%
Inflation assumption (CPI)	2.9%	1.9%
Commutation of pensions to lump sums	50%	50%

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS *(continued)*

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 2013	At 31 August 2012
Retiring today:		
Males	20.1	20.0
Females	24.1	24.0
Retiring in 20 years:		
Males	22.1	22.0
Females	26.0	25.9

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	6.5%	613	5.8%	434
Gilts	3.5%	198	2.8%	142
Other bonds	4.4%	-	3.9%	-
Property	4.5%	79	3.8%	64
Cash	0.5%	49	0.5%	36
Target return portfolio	2.5%	49	2.5%	36
Total market value of assets		988		712
Present value of scheme liabilities - funded		(1,722)		(1,339)
(Deficit) in the scheme		(734)		(627)

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 2012 to 31 August 2013). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield 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 £109,000 (2012 - £67,000)

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS *(continued)*

Amounts recognised in the Statement of Financial Activities

	Fair value at 31 Aug 2013 £'000	Fair value at 31 Aug 2012 £'000
Current service cost (net of employee contributions)	196	156
Past service cost	-	-
Total operating charge	196	156

Analysis of pension finance income / (costs)

Expected return on scheme assets	(36)	(32)
Interest on pension liabilities	57	52
Pension finance income / (costs)	21	20

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 £183,000 loss (2012 - £158,000)

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

	2013 £'000	2012 £'000
Opening balance	1,339	877
Current service cost	196	156
Interest cost	57	52
Estimated benefits paid net of transfers in	(12)	(40)
Employee contributions	45	46
Actuarial (gains) / losses	97	248
At 31 August	1,722	1,339

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

	2013 £'000	2012 £'000
Opening balance	712	499
Expected return on scheme assets	36	32
Actuarial gains / (losses)	72	36
Employer contributions	135	139
Employee contributions	45	46
Estimated benefits paid net of transfers in	(12)	(40)
At 31 August	988	712

The estimated value of employer contributions for the year ended 31 August 2014 is £135,000

THE BOURNE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS *(continued)*

The experience adjustments since the Academy joined the scheme are as follows:

	2013	2012	2011
	£'000	£'000	£'000
Present value of defined benefit obligations	(1,722)	(1,339)	(877)
Fair value of share of scheme assets	988	712	499
Deficit in the scheme	<u>(734)</u>	<u>(627)</u>	<u>(378)</u>
 Experience adjustment on share of scheme assets	 72	 36	 20
Experience adjustments on scheme liabilities	-	-	-