

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

**THE BOURNE ACADEMY
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018**



THE BOURNE ACADEMY
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

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THE BOURNE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 AUGUST 2018

Members	Richard Knott Ben Vessey David Levin <i>on behalf of Canford School</i>
The Board of Governors <i>(as at date of signing – see page 3 for full details)</i>	Mark Avoth Joanna Binstead Tim Brown Daniel Butt Pauline Calvert Sue Churchill Caroline Foster Oliver Hunter Nicola Jinks Richard Knott (Chair) Heidi Leavesley David Mastrocola David Neill Jacqueline Page Ben Vessey
Executive group	Principal and Accounting Officer – Mark Avoth Vice Principal – Carol Harrison Vice Principal – Ashley St John Business Director – Caroline Gobell
Company name	The Bourne Academy
Principal & Registered Office	Hadow Road Bournemouth Dorset, BH10 5HS
Company Registration Number	07148158 (England & Wales)
Independent Auditor	Crowe U.K. LLP Statutory Auditor Carrick House Lypiatt Road Cheltenham, GL50 2QJ
Bankers	Barclays Corporate Wytham Court 11 West Way Oxford, OX2 0JB
Solicitors	Blake Morgan LLP New Kings Road Tollgate Chandlers Ford Eastleigh Hampshire, SO53 3LG

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

The Governors (Trustees/Directors) have pleasure in presenting their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving in a catchment area in the Kinson/East Howe districts of Bournemouth. It has a pupil capacity of 900 students in years 7-11 and 150 for years 12 and 13. On the census day of 4 October 2018, there were 863 students on roll in years 7-11 and 120 on roll in years 12 and 13.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Bourne Academy is a company limited by guarantee (CRN: 07148158) and an exempt charity with no share capital. It was incorporated on 5 February 2010. The charitable company's memorandum and articles of association (dated 1 February 2010) and the funding agreement (dated 24 February 2010) are the primary governing documents of The Bourne Academy. The Governors of The Bourne Academy are the directors of the charitable company for the purposes of company law and the trustees for the purposes of charity legislation.

Details of the Governors who served during the year are on page 3.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustee Indemnities

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

Members

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.

Governors

The Bourne Academy currently has fifteen Governors consisting of: nine Sponsor Governors, one Local Authority Governor, one Staff Governor, one Parent Governor, one Community Representative Governor, one Education Partner 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.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Recruitment and Appointment of Governors

The appointment of Governors is carried out in line with the requirements of the Articles of Association and is as follows;

- Sponsor Governors are appointed by the Principal Sponsor,
- Local Authority Governor is appointed by the Local Authority,
- Parent Governor is appointed via secret ballot of the parents of students at the Academy,
- Staff Governor is appointed via secret ballot of the staff of the Academy,
- Community Representative Governor is appointed by Principal Sponsor and approved by resolution of the Governors,
- Education Partner Governor is appointed by the Education Partner

Newly appointed Governors are provided with the Academy's 'Governor induction pack' which includes details of policies, procedures and training appropriate for the role. The Academy's Induction Policy is applied.

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;

Mark Avoth (P)
 Joanna Binstead (PG)
 Tim Brown (S)
 Daniel Butt (S) (appointed 3 October 2017)
 Pauline Calvert (S)
 Sue Churchill (C)
 Caroline Foster (LA)
 Oliver Hunter (S) (appointed 3 October 2017)
 Nicola Jinks (S) (appointed 3 October 2017)
 Richard Knott (S) *
 Heidi Leavesley (S) (appointed 3 October 2017)
 John Lever (S) (resigned 3 July 2018)
 David Mastrocola (SG) (appointed 22 September 2017)
 David Neill (S) ^
 Jacqueline Page (EP)
 Ben Vessey (S)

* Chair of Board of Governors
 S Sponsor Governor
 PG Parent Governor
 SG Staff Governor
 C Community Representative Governor

^ Vice Chair of Board of Governors
 LA Local Authority Governor
 P Principal
 EP Educational Partner Governor

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Organisational Structure

During the year, The Bourne Academy has expanded the management structure, which was established in the implementation phase of the Academy. The new structure consists of three levels; the Governors, the Executive group and the Leadership Team.

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

Mark Avoth	- Principal and Accounting Officer
Carol Harrison	- Vice Principal
Ashley St John	- Assistant Vice Principal to 31 May 2018, Vice Principal from 1 June 2018
Caroline Gobell	- Business Director

The full Governing Body consists of fifteen Governors as detailed on page 1 and 3. 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 and Pay Committee, whose membership includes a small number of Governors and the Principal, with participation from the Finance Manager, to provide scrutiny and ensure probity of all financial matters relevant to the Academy.

The Governing Body has established other committees with responsibility for Risk Management and Appeals. These committees sit as and when required throughout the academic year. A formal link governance structure has been developed over the year and officially adopted from 1 September 2018. Governors are linked to different aspects of the Academy's life and will monitor their areas, reporting back to the Governing Body. Further committees will be established as required to assist the link governors with their duties.

During the year the full Governing Body held four meetings and the Finance and Pay Committee (a sub-committee of the full Governing Body) held three meetings.

The day-to-day management of the Academy is carried out by the leadership team, which is headed by the Executive group, under the Principal's guidance. They implement the policies laid down by the Governors and report back to them. The Academy's leadership team was expanded in June 2018 and now includes two Assistant Principals as well as the Executive group.

Arrangements for setting pay and remuneration of key management personnel

The Governors have delegated the power of setting pay and remuneration of all key management personnel, except for the Principal, to the Principal and the Finance and Pay Committee. The pay and remuneration of the Principal is set by the Governors.

Pay and remuneration is set in accordance with the Academy's pay policy (approved by the Governors annually), which sets out the parameters for successful performance over the year and the pay progression system. The Finance and Pay Committee review the performance management information and interrogate the decision making process behind pay awards before approval is given.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Academy publishes the following information;

Relevant Union Officials

Number of employees who were relevant union officials during the period 1 April 2017 to 31 March 2018	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of Time	Number of employees
0%	1
1% - 50%	0
51-99%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£222
Total pay bill	£58,028
% of total pay bill spend on facility time	0.03%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours	100%
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This employee was within the Academy's IT function.

Related Parties and other Connected Charities and Organisations

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

Canford School's vision for the Academy was that it would be at the heart of the community of East Howe, offering local families an excellent education, new opportunities and facilities available to all. Raising pupils' expectations, building their self-confidence and teaching them appropriate skills that allow them to build a successful career and contribute to society were, and remain, central to The Bourne Academy's aims. Canford School promotes the vision for the Academy by forging strong links to the Academy, through the provision of Governors, staff expertise, access to facilities and joint student learning experiences. Canford School provides the opportunity for Year 11 Academy students to apply for a scholarship to the prestigious school's 6th Form. Students have to sit several exams, attend two interviews and achieve excellent GCSE results.

The Academy has also founded a charitable organisation, The Bourne Foundation. The objectives of The Bourne Foundation are to support The Bourne Academy in creating an aspirational community of learning and achievement that will make a positive contribution to its students and the wider community. It aims to fulfil these objectives by fundraising and financially supporting projects within the Academy as its fundraising activities allow. The Bourne Foundation is considered to be a connected charity.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

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 leaving 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, businesses and the local and wider community.
- Ensuring inclusive learning, namely the highest standards of learning and teaching, and a relevant and personalised curriculum for all students.
- Developing a culture of Rights & Responsibilities where outstanding behaviour allows all learners to achieve success and all members of the Academy treating each other with respect.
- Ensuring that leadership skills and attributes are fostered and displayed throughout the Academy by staff and students.

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

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

Ambitious
Self-confident
Physically Aware
Independent Learners
Resilient
Emotionally Literate

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES *(continued)*

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.

Equality

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 unlawful discrimination, advance equality of opportunity and foster good relations in connection with disability, race, ethnicity, gender, religion, belief, pregnancy, maternity, marriage, civil partnership, sexual identity and age. 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 embrace 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 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 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.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES *(continued)*

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.

STRATEGIC REPORT

Achievements and Performance, including Key Performance Indicators

On 27 February 2018 the Academy underwent a short inspection by Ofsted with the result that there was no change to the Academy's current overall effectiveness grade of good. Ofsted found that:

- Staff work tirelessly to ensure that students and parents understand the importance of good attendance. Attendance has historically been above average, but fell during 2016/17 with improvements being seen through this academic year.
- Since the previous inspection, the quality of teaching has improved in areas, but not universally across the curriculum. Progress in English and Humanities has been above the national average.
- Students feel that the Academy is a safe place and that bullying is not an issue; if it occurs it is dealt with effectively.
- Safeguarding is effective, with the safeguarding team being in the best position to offer the support that students need.
- The school engages well with parents, carers and the local community and is held in high regard.

The reports recommends the following next steps for the Academy;

- To ensure the quality of teaching is improved and achievement raised across the curriculum.
- To improve behaviour by reducing persistent absenteeism and exclusions.
- To improve leadership through Governors oversight of pupil premium spending and knowledge of strategies having the most impact on students' achievement.

The Academy will undergo a full inspection the next time that Ofsted visit.

Results

The Academy sets out its key performance indicators (KPIs) in the development plan for the year and monitors progress throughout the year, amending strategies as required, in order to achieve these KPIs.

At GCSE level the main KPIs for this year were to achieve a positive overall Progress 8 score, individual positive Progress 8 scores for English, Maths and Science and 60%+ of students obtaining grade 9-4 scores (including English and Maths).

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT *(continued)*

This year the Academy saw its most successful results in its history. The Academy's Progress 8 figure for 2017/18 is +0.13, with positive scores of 0.20 and 0.18 in English and Maths respectively. Science did not quite meet their target, but showed a significant improvement on the 2017 figures. 74% and 68% of students obtained grades 9-4 in English and Maths respectively. Eleven other subjects had 70%+ of their students obtaining at least a grade 4.

The Academy will continue to work on strategies to improve results, with the focus on Science in the next year; this is discussed further in Plans for Future Periods.

Results at A-Level were once again successful. At this level the main KPI was to obtain a 100% pass rate and a progress score of at least ALPs level 6. The Academy, for the third year in a row, achieved a 100% pass rate (the national average being 97.6%) and was, once again, the only school in the borough to achieve this result. The Academy has surpassed its ALPs level target with a level of 5 (nationally the average is level 5/6).

All students who have applied to university, through the UCAS system, have secured a place at their first choice institution and course, with three students gaining Russell group university places. The success of the 6th form has been recognised with a record number of enrolments in September 2018.

Disadvantaged Students

Disadvantaged Student funding (formerly 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. Students are eligible for this funding if they have been registered for Free School Meals at any point in the last 6 years or they are Looked After (in care). Approximately 39% of students currently at the Academy are eligible for Disadvantaged Student funding.

During 2017/18 the Academy's Disadvantaged Student Coordinator continued to ensure that the Academy's disadvantaged students funding is used to maximum effect. The GCSE results this year showed an improvement in progress, with a Progress 8 score of -0.04 compared to -0.16 in 2017 and 50% of students obtaining a grade 4 or higher in English and/or Maths. Nationally, the Academy's disadvantaged students have out-performed similar schools. The internal progress gap between disadvantaged students and their peers has widened, especially for disadvantaged boys, which will be a key area of focus in the years to come.

A wide range of interventions are provided for our disadvantaged students, with funding being utilised in the following areas;

- 50% discount on educational trips to encourage access to opportunities,
- 'Year 11 Success Evening' for disadvantaged students and their parents offering a point of contact to parents for advice regarding the run-up to the GCSE exams and how they can best support their children,
- Bespoke resource pack for each Year 11 disadvantaged student, containing resources required to prepare them effectively for exams,
- 'Lexonic' literacy programme, used to support students across the school who have been identified as needing additional literacy intervention.
- Small-group interventions for science, literacy and maths.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT *(continued)*

6th Form

The Academy is very proud of its 6th Form as it continues to improve academically and our students continue to be successful in their choice of further education. The Academy provides a range of A-Levels or Level 3 BTEC courses to its students, which will benefit them whether they choose to go on to University or into the work place.

A distinctive addition to our 6th Form is that of the Bourne Ambassador Scheme. This is a pioneering and effective project which pairs up each 6th former with a local business expert for two years of mentoring through the A-Level course. The Ambassador advises students on how to present themselves; they offer self-confidence tips and their experience and expertise to successfully negotiate a route into Higher Education or employment. The Academy has recruited increased numbers into the scheme this year and the programme has been so successful that it has been presented at the national UCAS conference for careers advisors.

Careers advice is exceptionally strong at the Academy, this being evidenced by our Careers Advisor securing a national award for careers advice and guidance. The Academy was also one of only 3 schools nationally to achieve all Gatsby Benchmarks, a key indicator of success in the Governments career strategy document.

This year the Academy has been successful in securing funding from the Southern Universities Network and the National Collaborative Outreach Programme. This was to deliver a programme of activities and residential trips to engage and increase the aspirations of highlighted students. In connection with this project the Academy has worked with another local Academy to develop careers advice provided to students within that school. The project commenced in January 2018 and will continue to run until the end of the 2018/19 academic year.

Pastoral Care and Attendance

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 sustained level in student attendance throughout the academic year. The Academy's own Education Social Worker and Student Support Officer work alongside the Heads of House, assisting them with this work and also provide outreach work to primary partners to embed good attendance before students join the Academy. Overall attendance at the Academy remained stable this year at 94.60%. The Academy will continue to refine its already robust attendance systems and procedures in order to meet its aspirational target of 96% attendance.

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. From September 2017 an Emotional Health and Well Being Coordinator has been working with the students to support their mental health.

The Student Council for the year, led by the Head Boy and Head Girl and their Assistants, 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, along with the Academy's student leaders, 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

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT *(continued)*

The Academy continues to strengthen links with local primary schools through our Primary Partnership scheme. This scheme provides a range of workshops and activities to primary school students and allows them to interact with our older students while having an introduction to the larger spaces of secondary schools in a positive manner. The scheme also develops our own students; improving their leadership abilities, building their self-confidence and allowing them to develop a sense of pride in their school which they can share with the wider community.

The Academy continues to raise funds to improve and upgrade the facilities offered to students. Income is raised via grant applications and actively trying to increase income raised through community lettings. This year the Garfield West Foundation donated £10,000 to the Academy to support its Early Intervention and Mental Health programme, which commenced in September 2017. The Academy also received a generous donation of £30,000 from the Talbot Village Trust which was to provide a refurbishment of four of the Academy's science laboratories. This work was completed during the summer holidays.

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, the Academy continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies (page 30). Although cash flow continues to remain a concern to the Governors, improvements have been seen during this year. Governors continue to regularly review the position and are working on strategies to mitigate this.

FINANCIAL REVIEW

Throughout the year, the Academy continued to develop the accounting functions, paying particular regard to the recommendations provided by the internal auditors. The finance manual, detailing the procedures in place, continues to be reviewed and updated on an on-going basis to ensure compliance with the Academies Financial Handbook and that the financial policies and controls used are appropriate and consistently applied.

The Academy receives the majority of its funding from the Education and Skills Funding Agency (ESFA). The income received from the ESFA is split into three main areas; the General Annual Grant (calculated from the number of pupils enrolled in the Academy), disadvantaged funding and grants for other purposes. Other income is received from the Local Authority (Bournemouth Borough Council) and through other activities carried out by the Academy. The Academy has seen a sustained level of community lettings over the year, monies from which support the Academy's educational activities.

Total income for the year amounted to £5,726,480 (2017 - £5,461,501). The total amount received from the ESFA during the year was £5,213,688 (2017 - £5,117,438) which makes up 91.0% (2017 – 93.7%) of the year's total funding. The increase in income from the ESFA relates to General Annual Grant which has increased due to the number of students now on roll at the Academy. The component parts of the ESFA funding are as follows:

- £4,803,624 for the General Annual Grant (GAG) and £24,290 for post start-up grant.
- £318,575 in respect of Disadvantaged Student funding.
- £20,283 in respect of Year 7 Catch Up funding.
- £19,491 for capital purposes.
- £27,425 in respect of rates relief.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW *(continued)*

The Academy also received funds totalling £512,792 (2017 - £344,063) from a number of other sources as follows:

- £163,472 from the local authority and other councils (£106,215 for special educational needs and £8,000 for managed pupil moves and £49,257 Looked After Children Disadvantaged Student funding).
- £57,077 from the Southern Universities Network to support a careers programme.
- £94,657 from parents and pupils for contributions towards school trips & activities.
- £72,720 raised through uniform and tuition sales, sale of staff services, sales of goods and hire of facilities.
- £11,320 from Teach 1st to support training for Teach 1st graduates.
- £10,000 from the Garfield West Foundation to support a programme of Early Intervention and Mental Health.
- £30,000 from the Talbot Village Trust for the refurbishment of four science laboratories.
- £20,000 of computer equipment donated to the Academy by Hewlett Packard as a gift in kind.
- £6,150 from the Duke of Edinburgh Diamond grant scheme to support the Academy's outdoor education programme.
- £21,937 in respect of contributions from foreign students for visits to the Academy.
- £25,459 of other sales, grants, donations and receipts.

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 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 £6,250,476 (2017 - £5,866,736) and the vast majority is 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, management and administration staff. Staffing costs for the year, including redundancies and supply cover costs (as per note 10), came to £4,465,173 (2017 - £4,328,538) which is 71.4% (2017 – 73.8%) of the total expenditure and 78.0% (2017 – 79.3%) of income received in the year.

£294,511 (2017 - £281,186) has been spent during the year on the upkeep and maintenance of the school premises. The small increase is a result of having a full year of contracted out cleaning fees (outsourced half way through the prior year), countered by a reduction in utility costs, as the Academy switched suppliers at the start of the year, and general maintenance costs. The remainder of the expenditure, £1,490,792 (2017 - £1,256,055) includes £365,000 in relation to financial adjustments in connection with the Local Government Pension Scheme (£2017 - £81,000). The remaining £1,125,792 (2017 - £1,175,055) was spent on areas such as training and development of staff, educational supplies and resources, student welfare, examinations, IT and depreciation of assets. Costs have reduced this year due to improved budgetary control and a conscious effort to reduce spending wherever possible.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW *(continued)*

On its educational provision, the Academy incurred a deficit of £9,848 (2017 – a deficit of £110,037). This was a good improvement on the budgeted deficit for the year of £79,641, despite including a 6th Form funding claw back of £111,303 by the ESFA. This was in relation to fewer 6th Form students on roll than anticipated when funding was agreed. Overall, the Governors are very pleased with the result as substantial cost savings have been made during the year, which have more than mitigated the claw back. The Governors continue to monitor the Academy's Medium Term Financial Plan, which reviews the forecasts up until 2020/21. Overall, the Academy achieved a net deficit for the year, prior to actuarial gains on the pension scheme, of £523,996 (2017 - £405,235). This incorporates the deficit on educational provision of £9,848, capital funding received of £69,491, less the depreciation on assets acquired with capital funding (rather than GAG funding) of £218,639 and finance costs associated with the Local Government Pension Scheme of £365,000.

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 2018, and using the assumptions detailed in note 24 to the financial statements, the deficit on the scheme was calculated to be £2,797,000; this has resulted in an actuarial gain on the scheme of £686,000 being recognised in the statement of financial activities.

Overall, the Academy had a net increase in funds of £162,004 (2017 – a net decrease of £670,235) and as at 31 August 2018 the Academy had funds totalling £6,658,018 (2017 - £6,496,014). Of this £6,578,615 (2017 - £6,440,943) 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 it to meet its on-going operational costs for a period of 3 months. 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 2018 the Academy held total fund balances of £6,658,018. Of this the free reserves, which just incorporates the unrestricted funds, amounted to £79,403 (2017 - £55,071). Free reserves, plus the carried forward funds in relation to the General Annual Grant and the Start Up Grant, but excluding other restricted funds, amounted to £79,403 (2017 - £55,071). The Governors use this total to determine whether operational reserves meet the required level, and this year have determined that this level of operational reserves does not meet the required level. The Academy is focusing on increasing lettings income over the coming financial year to improve this situation and the Governors will consider this and other strategies over the coming months to increase the level of these reserves.

The LGPS pension reserve deficit of £2,797,000 causes the Restricted General Funds to appear negative in value at 31 August 2018. The value of this reserve is calculated by an interim actuarial valuation of the LGPS as at 31 August 2018. As explained in note 24, if this deficit ever became payable the liabilities on the LGPS would be met by the Department of Education and not by the Academy. Excluding the pension reserve the value of restricted general funds is £4,950 (2017 - £15,000).

The funds contained in the restricted fixed asset fund are not available for the general purposes of the Academy as at 31 August 2018.

THE BOURNE ACADEMY

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW *(continued)*

Investment Policy

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

Risk Management including Principal Risks and Uncertainties

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 regular 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 showed that secondary school student numbers within Bournemouth decreased until 2014/15, before they started to climb significantly following the large numbers of children presently within local primary education.

The Academy continues to report a steady increase in pupil admissions which is expected to continue until Years 7 to 11 reach full capacity (expected academic year 2019/20). Entries into the Academy's 6th Form have been nearly at capacity for September 2017 and 2018 leading to expectations that the 6th Form will be full in September 2020.

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.

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.

The building programme undergone by the Academy over 2 years was completed in December 2013. This is allowing the Academy to gradually increase capacity from 650 students to 1,050 (this includes a dedicated 6th form centre for up to 150 post 16 learners). Currently the Academy has approximately 990 learners on roll and it is expected that full capacity will be reached by September 2020.

The Governors are reviewing the going concern status of the Academy in light of an expected decline in cash balances over the next financial year. From 2018/19 the Academy expects to benefit from an increase in government funding per student as the National Funding Formula starts to be applied. Other strategies continue to be worked on to close the deficit. Increasing lettings income will continue to be a focus. This year the level of letting income is in the region of £60,000 and the Governors are considering the incorporation of a trading subsidiary which will manage this type of income. Another focus for income generation will be via The Bourne Foundation (registered charity number 1165790) with fundraising applications and activities.

THE BOURNE ACADEMY**GOVERNORS' REPORT****YEAR ENDED 31 AUGUST 2018****PLANS FOR FUTURE PERIODS** *(continued)*

The Academy continues to focus on the 6th form, which entered its sixth year of existence in September 2018. In order to maximise student recruitment and retention the Academy plans to offer an increased range of subjects at A-Level (Business Studies introduced in September 2018) over the next couple of years. The Academy is looking to expand the 6th form over the next few years, both in number and physical size. Plans will be discussed over the coming years and methods of funding arranged. The Academy also wishes to expand and is investigating opportunities which would enable it to do so.

The academic focus for 2018/19 will be to continue to raise attainment, particularly in Science subjects. The Academy continued a staffing restructure during this year, which has a main aim of improving student attainment. The new structure shows clear promotion pathways, which should lead to retention of outstanding teachers. This year saw the recruitment of the Director of Science and from September 2018 a Director of Personal Development, Behaviour and Welfare has been appointed in order to assist in strategies to improve student attendance and behaviour. Strategies for teaching and progress tracking continue to be developed in order to maximise students' potential. The Academy will also work to continue to stretch the higher ability students at both GCSE and A-Level.

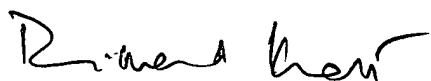
AUDITOR

Insofar as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware,
- 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 U.K. 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, incorporating a Strategic Report, was approved by the Governing Body, as the company directors, on 11/12/2018 and signed on their behalf by:



RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2018

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, and the Finance and Pay Committee for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bourne Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

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;

	Meetings attended	Out of a possible
Mark Avoth	4	4
Joanna Binstead	4	4
Tim Brown	3	4
Daniel Butt	3	4
Pauline Calvert	4	4
Sue Churchill	3	4
Caroline Foster	4	4
Oliver Hunter	4	4
Nicola Jinks	4	4
Richard Knott (Chair)	4	4
Heidi Leavesley	4	4
John Lever	3	4
David Mastrocola	4	4
David Neill	2	4
Jacqueline Page	3	4
Ben Vessey	3	4

The Governing Body continue to monitor their breadth of skills and how they support the Academy. A formal link governance structure has been developed over the year, which links individual governors to areas of the Academy. The aim of this is to increase the level of involvement governors have within the Academy, ensuring that they have a deeper understanding of different areas. Link governors will assist their Academy area using their knowledge and experience and feed back to the governing body any issues or areas of best practice they have observed.

A new staff governor, David Mastrocola, was elected by the staff of the Academy in September 2017.

At the end of the year John Lever, who was instrumental in the set-up of the Academy, retired. The Governing Body would like to thank him for his vision, commitment and support to the Academy.

THE BOURNE ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2018

GOVERNANCE *(continued)*

During the year, the Governing Body has continued to review progress against the key performance indicators detailed in the Academy's development plan. They challenge the executive group on the results obtained, seeking explanations and confirming validity of the information presented. Although the main challenge for the Academy continues to be managing the finances effectively in line with the funding provided by the Department of Education, the Governing Body have also worked to ensure that recommendations provided in the February Ofsted inspection are being followed up and acted upon.

The Governing Body will undertake another evaluation review within the next year.

The Finance and Pay 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 auditor's reports and recommendations. The Finance and Pay 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 and Pay Committee are generally held 3-4 weeks prior to a full Governors' Meeting.

Attendance at the meetings during the year was as follows:

Governor	Meetings attended	Out of a possible
Tim Brown	3	3
Pauline Calvert (<i>chair</i>)	3	3
Richard Knott	3	3
Mark Avoth	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The focus of the Academy is always to raise educational standards and improve the achievements of our students, and with this in mind, the Accounting Officer has focused resources in a way to maximise the students' achievements while being mindful to deliver good value in the use of public resources. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continuing to review and update the IT technology provision to students and staff. The Academy has sourced more IT equipment, this year the firewall and desktop computers, through operating leases which has improved students access to technology while ensuring sound financial planning.
- Reviewing the use of the Academy's copiers and printers it was found that the quantity of colour printing was unsustainable. Staff education was given in regard to printing costs and usage with the result that the cost of copying and printing has reduced by £23,783 over this academic year.
- Trip procedures have been reviewed to ensure greater cost effectiveness and value for money in the places visited. This has led to improved trip finances.

THE BOURNE ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2018

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 from 1 September 2017 to 31 August 2018 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 period from 1 September 2017 to 31 August 2018 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 (where possible) and a system of delegation and accountability. In particular, it includes:

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

The Governing Body has considered the need for a specific internal audit function and re-appointed Moore Stephens as internal auditor during the year to 31 August 2018.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. This year Moore Stephens have performed three reviews of the financial processes in line with the Academy's Finance Manual and the Academy Handbook 2017 and delivered their work schedule as planned. In the checks carried out in the current period included:

- testing purchasing and banking procedures
- testing of funding submissions and income
- review of budgets and budgeting procedures
- compliance with the requirements of the Academy's Financial Handbook 2017.

The internal auditor reports to the Governing Body, through the Finance and Pay Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

THE BOURNE ACADEMY
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2018

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 internal auditor;
- 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 the review of the system of internal control by the Finance and Pay 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 11/12/2018 and signed on its behalf by:



RICHARD KNOTT
Chair of Governors



MARK AVOTH
Accounting Officer

THE BOURNE ACADEMY
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2018

As Accounting Officer of The Bourne Academy, I have considered my responsibility to notify the Academy's Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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



MARK AVOTH
Accounting Officer

Date: 11 December 2018

THE BOURNE ACADEMY
STATEMENT OF GOVERNORS' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2018

The Governors (who act as trustees for charitable activities of The Bourne Academy 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 and Skills 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:

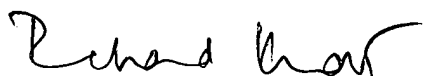
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 ESFA/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 11/12/2018 and signed on its behalf by:



RICHARD KNOTT
Chair of Governors

THE BOURNE ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of The Bourne Academy (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE BOURNE ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOURNE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE BOURNE ACADEMY
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF THE BOURNE ACADEMY
FOR THE YEAR ENDED 31 AUGUST 2018

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

Use of our report

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

Martin Regan
Senior Statutory Auditor



For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Carrick House,
Lypiatt Road,
Cheltenham
GL50 2QJ

Date 14 December 2018

THE BOURNE ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOURNE ACADEMY LIMITED AND THE THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 22 August 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bourne Academy during the year 1 September 2017 to 31 August 2018 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 Bourne Academy and the ESFA 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 ESFA those matters we are required to state 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 ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Bourne Academy's accounting officer and the reporting accountant

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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE BOURNE ACADEMY LIMITED**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE BOURNE ACADEMY LIMITED AND THE
EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018**
*(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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP
Statutory Auditor
Carrick House,
Lypiatt Road,
Cheltenham
GL50 2QJ

Crowe UK UK
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Date: 14 December 2018

THE BOURNE ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account

YEAR ENDED 31 AUGUST 2018

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
INCOME FROM:						
Donations and capital grants	3	987	21,140	50,000	72,127	23,434
Charitable activities:						
Funding for the Academy's educational operations	4	-	5,426,066	19,491	5,445,557	5,238,276
Other trading activities	5	94,657	6,701	-	101,358	107,755
Investments	6	580	-	-	580	52
Income from educational trips		-	98,767	-	98,767	90,278
Other income	7	1,438	6,653	-	8,091	1,706
TOTAL INCOME		<u>97,662</u>	<u>5,559,327</u>	<u>69,491</u>	<u>5,726,480</u>	<u>5,461,501</u>
EXPENDITURE ON:						
Raising funds		72,282	-	5,619	77,901	77,766
Charitable activities:						
Academy's educational operations	8/9	-	5,924,759	247,816	6,172,575	5,788,970
TOTAL EXPENDITURE		<u>72,282</u>	<u>5,924,759</u>	<u>253,435</u>	<u>6,250,476</u>	<u>5,866,736</u>
NET INCOME / (EXPENDITURE)		<u>25,380</u>	<u>(365,432)</u>	<u>(183,944)</u>	<u>(523,996)</u>	<u>(405,235)</u>
Transfers between funds	17	(1,048)	(9,618)	10,666	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		<u>24,332</u>	<u>(375,050)</u>	<u>(173,278)</u>	<u>(523,996)</u>	<u>(405,235)</u>
OTHER RECOGNISED GAINS/ LOSSES						
Actuarial gains / (losses) on defined benefit pension schemes	24	-	686,000	-	686,000	(265,000)
NET MOVEMENT IN FUNDS		<u>24,332</u>	<u>310,950</u>	<u>(173,278)</u>	<u>162,004</u>	<u>(670,235)</u>
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2017		<u>55,071</u>	<u>(3,103,000)</u>	<u>9,543,943</u>	<u>6,496,014</u>	<u>7,166,249</u>
FUNDS CARRIED FORWARD AT 31 August 2018	18	<u>79,403</u>	<u>(2,792,050)</u>	<u>9,370,665</u>	<u>6,658,018</u>	<u>6,496,014</u>

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

The notes on pages 30 to 52 form part of these financial statements

THE BOURNE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	13	9,342,022	9,518,628
CURRENT ASSETS			
Stock		1,369	-
Debtors	14	292,815	256,490
Cash at bank and in hand		314,182	355,828
		<u>608,366</u>	<u>612,318</u>
LIABILITIES			
Creditors: Amounts falling due within one year	15	(495,370)	(482,216)
NET CURRENT ASSETS		<u>112,996</u>	<u>130,102</u>
Total assets less current liabilities		<u>9,455,018</u>	<u>9,648,730</u>
Creditors: Amounts falling due after one year	16	-	(34,716)
Net assets excluding pension liability		<u>9,455,018</u>	<u>9,614,014</u>
Defined benefit pension scheme liability	24	(2,797,000)	(3,118,000)
TOTAL NET ASSETS		<u>6,658,018</u>	<u>6,496,014</u>
FUNDS OF THE ACADEMY			
Restricted funds	17		
Pension deficit reserve		(2,797,000)	(3,118,000)
Fixed asset fund		9,370,665	9,543,943
Restricted general funds		4,950	15,000
TOTAL RESTRICTED FUNDS		<u>6,578,615</u>	<u>6,440,943</u>
Unrestricted general funds	17	<u>79,403</u>	<u>55,071</u>
TOTAL FUNDS		<u>6,658,018</u>	<u>6,496,014</u>

The financial statements on pages 27 to 52 were approved and authorised for issue by the Governors on 11 December 2018 and signed on their behalf by:



RICHARD KNOTT

Chair of Governors

Company Registration number: 07148158

The notes on pages 30 to 52 form part of these financial statements

THE BOURNE ACADEMY
STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	(34,888)	100,499
Cash flows from investing activities	22	(6,758)	(2,178)
Change in cash and cash equivalents in the reporting period		<u>(41,646)</u>	<u>98,321</u>
 Cash and cash equivalents at 1 September 2017		 355,828	 257,507
Cash and cash equivalents at 31 August 2018	23	<u>314,182</u>	<u>355,828</u>

The notes on pages 30 to 52 form part of these financial statements

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES

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

The Bourne Academy is registered as a company limited by guarantee at Companies House (No. 07148158) and is an exempt Charity. The address of the registered office is Hadow Road, Bournemouth, BH10 5HS.

Basis of preparation

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention and in accordance with Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bourne Academy meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

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

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

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

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

- **Donations** – donations are recognised on a receivable basis (where there are no performance-related conditions) where receipt is probable and the amount can be reliably measured.
- **Other income** – other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

Expenditure

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

- **Expenditure on Raising Funds** – this includes all expenditure incurred by the Academy to raise funds for its charitable purpose and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities** – these are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

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 at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold buildings	- 50 years straight line
Leasehold improvements	- 10 years straight line
Computer equipment	- between 3 and 5 years straight line
Fixtures, fittings and equipment	- between 4 and 6 years straight line
Motor vehicles	- 5 years straight line

Debtors

Trade debtors and all other debtors (excluding prepayments) are recognised at their settlement amount after any discount offered. Prepayments are valued at the amount prepared net of any discounts.

Cash at bank and in hand

This includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial Instruments

The Academy only has financial assets and liabilities of a kind that qualify as basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

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

Leased assets

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

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

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.

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 quadrennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contributions scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating deficit are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, if it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charges for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See note 13 for the carrying amount of the tangible assets and Note 1 for the useful lives for each class of asset.

Agency arrangements

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 26.

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2018.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Capital grants	-	30,000	30,000	1,230
Capital gifts in kind	-	20,000	20,000	-
Other donations	987	21,140	22,127	22,204
	<u>987</u>	<u>71,140</u>	<u>72,127</u>	<u>23,434</u>

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
DfE / ESFA revenue grant				
General Annual Grant - note 2	-	4,803,624	4,803,624	4,716,014
Start-up grants	-	24,290	24,290	27,148
Disadvantaged student funds	-	318,575	318,575	308,039
Devolved formula capital grant	-	19,491	19,491	18,366
Other DfE / ESFA grants	-	47,708	47,708	47,871
	<u>-</u>	<u>5,213,688</u>	<u>5,213,688</u>	<u>5,117,438</u>
Other Government grants				
Local authority - SENCO	-	106,215	106,215	96,661
Local authority – other grants	-	57,257	57,257	19,710
Other grants and payments	-	11,320	11,320	4,467
	<u>-</u>	<u>174,792</u>	<u>174,792</u>	<u>120,838</u>
Other income from educational operations				
	-	57,077	57,077	-
	<u>-</u>	<u>5,445,557</u>	<u>5,445,557</u>	<u>5,238,276</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Hire of facilities	57,392	-	57,392	66,150
Uniform sales	140	-	140	336
Staff services & tuition	13,850	-	13,850	13,315
Leavers Hoodie / Summer ball sales	-	2,758	2,758	1,919
Funds raised by departments	21,937	3,943	25,880	21,583
Sales of good & services	1,338	-	1,338	4,452
	<u>94,657</u>	<u>6,701</u>	<u>101,358</u>	<u>107,755</u>

6. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Short term deposits	<u>580</u>	<u>-</u>	<u>580</u>	<u>52</u>

7. OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Insurance claim	-	4,423	4,423	-
Training reimbursed	-	2,230	2,230	-
Other	1,438	-	1,438	1,706
	<u>1,438</u>	<u>6,653</u>	<u>8,091</u>	<u>1,706</u>

8. EXPENDITURE

	Staff Costs	Non Pay Premises	Expenditure Other	Total 2018	Total 2017
	£	£	£	£	£
Expenditure on raising funds	61,926	15,453	522	77,901	77,766
Academy's educational operations:					
Direct costs	3,780,210	234,953	600,895	4,616,058	4,515,522
Allocated Support costs	901,036	281,062	374,419	1,556,517	1,273,448
	<u>4,743,172</u>	<u>531,468</u>	<u>975,836</u>	<u>6,250,476</u>	<u>5,866,736</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

8. EXPENDITURE *(continued)*

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Operating lease rentals	65,418	55,620
Depreciation	253,435	280,321
Fees payable to auditor for:		
- Audit	10,975	10,750
- Other services	5,025	2,270
	<u>5,025</u>	<u>2,270</u>

9. CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	2018	2017
	£	£
Direct costs	4,616,058	4,515,522
Support costs	1,556,517	1,273,448
	<u>6,172,575</u>	<u>5,788,970</u>

Analysis of support costs	Educational Operations	Total 2018	Total 2017
	£	£	£
Support staff costs	901,036	901,036	824,597
Depreciation	12,864	12,864	14,147
Premises costs	268,198	268,198	252,375
Other support costs	349,066	349,066	161,392
Governance costs	25,353	25,353	20,937
Total support costs	<u>1,556,517</u>	<u>1,556,517</u>	<u>1,273,448</u>

Governance costs total £25,353 (2017 - £20,937) and include; legal and professional fees of £7,399 (2017 - £5,522), auditors remuneration of £16,000 (2017 - £13,020), support costs of £1,954 (2017 - £2,327) and Governors’ training and reimbursed expenses of nil (2017 - £43).

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

Staff costs during the period were:

	2018 £	2017 £
Wages and salaries	3,462,238	3,392,196
Social security costs	336,596	331,562
Operating costs of defined benefit pension schemes	539,011	528,942
Apprenticeship levy	2,375	957
	<u>4,340,220</u>	<u>4,253,657</u>
Supply staff costs	127,328	61,438
Staff restructuring costs	-	14,400
	<u>4,467,548</u>	<u>4,329,495</u>

There are no non-statutory/non-contractual severance payments included within staff costs (2017 - £14,400, made up of two individual payments of £8,000 and £6,400).

The average number of persons employed by the Academy during the year was as follows:

	2018 No.	2017 No.
Teachers	87	87
Administration and support	44	40
Management	4	4
	<u>135</u>	<u>131</u>

Higher paid staff

The number of higher paid employees whose employee benefits (excluding pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

Key management personnel

The key management personnel of the Academy comprise the Governors and the Executive Group as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by paid key management personnel (the Executive Group and Staff Governor) for their services to the Academy was £450,287 (2017 - £434,992).

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

11. RELATED PARTY TRANSACTIONS; GOVERNORS REMUNERATION & EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

M Avoth (Principal and Governor)

Remuneration £100,001 - £110,000 (2017; £95,000 - £100,000)

Employer's pension contribution £15,000 - £20,000 (2017; £15,000 - £20,000)

D Mastrocola (Staff Governor)

Remuneration £40,001 - £45,000

Employer's pension contribution £5,000 - £10,000

During the year no travel and subsistence expenses were reimbursed to Governors, in their role as Governor (2017 - £43 was reimbursed to 1 Governor).

12. 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 2018 is no longer separately identifiable within the total insurance cost.

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Long Leasehold Land, Buildings & Improvements	Fixtures, Fittings & Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	10,299,745	165,636	1,084,439	34,083	11,583,903
Additions	11,359	31,912	33,558	-	76,829
Disposals	-	(15,427)	(685,920)	-	(701,347)
At 31 August 2018	<u>10,311,104</u>	<u>182,121</u>	<u>432,077</u>	<u>34,083</u>	<u>10,959,385</u>
Depreciation					
At 1 September 2017	827,098	144,840	1,063,243	30,094	2,065,275
Charge for year	215,307	14,015	21,293	2,820	253,435
Eliminated on disposal	-	(15,427)	(685,920)	-	(701,347)
At 31 August 2018	<u>1,042,405</u>	<u>143,428</u>	<u>398,616</u>	<u>32,914</u>	<u>1,617,363</u>
Net book value					
At 31 August 2018	<u>9,268,699</u>	<u>38,693</u>	<u>33,461</u>	<u>1,169</u>	<u>9,342,022</u>
At 31 August 2017	<u>9,472,647</u>	<u>20,796</u>	<u>21,196</u>	<u>3,989</u>	<u>9,518,628</u>

The Academy occupied the site of its predecessor school, which is owned by the Local Authority, under a short term Tenancy at Will agreement until 14 January 2016. On 15 January 2016 a new lease agreement was entered into with the Local Authority for a period of 125 years (note 19). The value of the long leasehold land was brought into the financial statements in 2013 at the value of the building programme which was undertaken between 2011 and 2013. Depreciation commenced on the Long Leasehold Buildings once the Academy had full use of the premises.

14. DEBTORS

	2018	2017
	£	£
Trade debtors	3,425	5,228
VAT recoverable	46,745	29,910
Other debtors	1,700	2,900
Amounts owed from connected party	4,759	5,000
Prepayments and accrued income	236,186	213,452
	<u>292,815</u>	<u>256,490</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	205,711	135,971
Taxation, social security and pension liabilities	83,872	154,883
ESFA creditor: abatement of GAG	111,303	108,543
Other creditors	2,077	3,733
Accruals and deferred income	92,407	79,086
	<u>495,370</u>	<u>482,216</u>

Deferred Income

	2018	2017
	£	£
Deferred income at 1 September 2017	48,710	36,729
Resources deferred in the year	62,389	43,202
Amounts released from previous years	(45,123)	(31,221)
Deferred income at 31 August 2018	<u>65,976</u>	<u>48,710</u>

The value of deferred income included above relates to funds received in advance for educational trips and lettings occurring from 1 September 2018, Looked After Child premium for the period 1 September 2018 to February 2019 and rates relief funding received from the ESFA, for the period 1 September 2018 to 31 March 2019.

16. CREDITORS: Amounts falling after one year

	2018	2017
	£	£
Trade creditors	<u>-</u>	<u>34,716</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

17. FUNDS

Funds for the year ended 31 August 2018

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2018 £
Restricted General Funds					
General Annual Grant	-	4,803,624	(4,797,881)	(5,743)	-
Start-up grant	-	24,290	(24,290)	-	-
Other ESFA/DfE grants	-	47,708	(47,708)	-	-
Disadvantaged students	-	318,575	(292,579)	(25,996)	-
LA – SENDCO	-	106,215	(106,215)	-	-
LA – other grants	-	57,257	(57,257)	-	-
SUN Careers grant	-	57,077	(51,277)	(850)	4,950
Other Government grants	-	11,320	(11,320)	-	-
Other grants, sales & donations	15,000	34,494	(44,765)	(4,729)	-
Educational trips	-	98,767	(126,467)	27,700	-
Pension reserve	(3,118,000)	-	(365,000)	686,000	(2,797,000)
	<u>(3,103,000)</u>	<u>5,559,327</u>	<u>(5,924,759)</u>	<u>676,382</u>	<u>(2,792,050)</u>
	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2018 £
Restricted Fixed Asset Funds					
Minibus	3,989	-	(2,820)	-	1,169
ESFA – General Annual Grant	25,894	-	(12,441)	6,791	20,244
ESFA – capital grant	73,872	19,491	(20,340)	-	73,023
Cycle helmet lockers	2,533	-	(1,237)	-	1,296
MUGA pitch	78,965	-	(8,928)	-	70,037
Science Lab refurbishment	-	30,000	-	-	30,000
LA – Land & Buildings	9,299,428	-	(202,161)	-	9,097,267
LA – capital grant	58,211	-	(1,329)	-	56,882
STEM Learning Suite	-	20,000	(3,333)	-	16,667
Other small assets	1,051	-	(846)	3,875	4,080
	<u>9,543,943</u>	<u>69,491</u>	<u>(253,435)</u>	<u>10,666</u>	<u>9,370,665</u>
Total Restricted Funds	<u>6,440,943</u>	<u>5,628,818</u>	<u>(6,178,194)</u>	<u>687,048</u>	<u>6,578,615</u>
Total Unrestricted Funds	<u>55,071</u>	<u>97,662</u>	<u>(72,282)</u>	<u>(1,048)</u>	<u>79,403</u>
Total Funds	<u>6,496,014</u>	<u>5,726,480</u>	<u>(6,250,476)</u>	<u>686,000</u>	<u>6,658,018</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

17. FUNDS *(continued)*

Funds for the year ended 31 August 2017

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2017 £
Restricted General Funds					
General Annual Grant	43,154	4,716,014	(4,813,432)	54,264	-
Start-up grant	15,845	27,148	(42,993)	-	-
Other ESFA/DfE grants	-	47,871	(47,871)	-	-
Disadvantaged students	-	308,039	(284,658)	(23,381)	-
LA – SENDCO	-	96,661	(96,661)	-	-
LA – other grants	-	19,710	(19,710)	-	-
Other Government grants	-	4,467	(4,467)	-	-
Other grants, sales & donations	-	25,894	(10,894)	-	15,000
Educational trips	-	90,278	(113,659)	23,381	-
Pension reserve	(2,772,000)	-	(81,000)	(265,000)	(3,118,000)
	<u>(2,713,001)</u>	<u>5,336,082</u>	<u>(5,515,345)</u>	<u>(210,736)</u>	<u>(3,103,000)</u>
	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2017 £
Restricted Fixed Asset Funds					
Minibus	6,804	-	(2,815)	-	3,989
ESFA – General Annual Grant	48,578	-	(22,684)	-	25,894
ESFA – capital grant	72,901	18,366	(17,395)	-	73,872
Cycle helmet lockers	3,771	-	(1,238)	-	2,533
MUGA pitch	87,893	-	(8,928)	-	78,965
LA – ICT capital grant	18,014	-	(18,014)	-	-
LA – Land & Buildings	9,501,589	-	(202,161)	-	9,299,428
LA – capital grant	65,118	-	(6,907)	-	58,211
Other small assets	-	1,230	(179)	-	1,051
	<u>9,804,668</u>	<u>19,596</u>	<u>(280,321)</u>	<u>-</u>	<u>9,543,943</u>
Total Restricted Funds	<u>7,091,667</u>	<u>5,355,678</u>	<u>(5,795,666)</u>	<u>(210,736)</u>	<u>6,440,943</u>
Total Unrestricted Funds	<u>74,582</u>	<u>105,823</u>	<u>(71,070)</u>	<u>(54,264)</u>	<u>55,071</u>
Total Funds	<u>7,166,249</u>	<u>5,461,501</u>	<u>(5,866,736)</u>	<u>(265,000)</u>	<u>6,496,014</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

17. FUNDS (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2018 £
Restricted General Funds					
General Annual Grant	43,154	9,519,638	(9,611,313)	48,521	-
Start-up grant	15,845	51,438	(67,283)	-	-
Other ESFA/DfE grants	-	95,579	(95,579)	-	-
Disadvantaged students	-	626,614	(577,237)	(49,377)	-
LA – SENDCO	-	202,876	(202,876)	-	-
LA – other grants	-	76,967	(76,967)	-	-
SUN Careers grant	-	57,077	(51,277)	(850)	4,950
Other Government grants	-	15,787	(15,787)	-	-
Other grants, sales & donations	-	60,388	(55,659)	(4,729)	-
Educational trips	-	189,045	(240,126)	51,081	-
Pension reserve	(2,772,000)	-	(446,000)	421,000	(2,797,000)
	<u>(2,713,001)</u>	<u>10,895,409</u>	<u>(11,440,104)</u>	<u>465,646</u>	<u>(2,792,050)</u>
	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2018 £
Restricted Fixed Asset Funds					
Minibus	6,804	-	(5,635)	-	1,169
ESFA – General Annual Grant	48,578	-	(35,125)	6,791	20,244
ESFA – capital grant	72,901	37,857	(37,735)	-	73,023
Cycle helmet lockers	3,771	-	(2,475)	-	1,296
MUGA pitch	87,893	-	(17,856)	-	70,037
Science Lab refurbishment	-	30,000	-	-	30,000
LA –ICT capital grant	18,014	-	(18,014)	-	-
LA – Land & Buildings	9,501,589	-	(404,322)	-	9,097,267
STEM Learning Suite	-	20,000	(3,333)	-	16,667
LA – capital grant	65,118	-	(8,236)	-	56,882
Other small assets	-	1,230	(1,025)	3,875	4,080
	<u>9,804,668</u>	<u>89,087</u>	<u>(533,756)</u>	<u>10,666</u>	<u>9,370,665</u>
Total Restricted Funds	<u>7,091,667</u>	<u>10,984,496</u>	<u>(11,973,860)</u>	<u>476,312</u>	<u>6,578,615</u>
Total Unrestricted Funds	<u>74,582</u>	<u>203,485</u>	<u>(143,352)</u>	<u>(55,312)</u>	<u>79,403</u>
Total Funds	<u>7,166,249</u>	<u>11,187,981</u>	<u>(12,117,212)</u>	<u>421,000</u>	<u>6,658,018</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

17. FUNDS *(continued)*

General Annual Grant – this fund represents the Government funding, through the ESFA, for the provision of education by the Academy. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2 discloses whether the limit was exceeded.

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

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

Disadvantaged students – this fund represents Government funding received through the ESFA to provide additional support to students who have qualified for Free School Meals at any point in the last 6 years in order to raise their attainment. Expenditure this year has been spent in a variety of areas including; educational materials, 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).

LA – SENDCO fund – this represents top-up funding received from the Local Authority to assist in providing teaching assistants for students with special educational needs and are covered by Educational Health Care Plans.

LA – other grants – this represents Looked After Children and pupil placement funding, for students placed with the Academy by the Local Authority. Funds have been spent providing resources for these students.

SUN careers grant – this represents funds received from the Southern Universities Network in order to support a project to ensure that all Year 9 – 13 learners have access to quality, impartial one-to-one careers guidance and to enhance careers provision activities. Funds have been spent according to the grant application.

Other Government grants – this represents funding from Government agencies, other than the ESFA, Department of Education and the Local Authority. Funds received this year relate to grants from the Teach 1st agency to support the Academy in the costs of employing new graduates as teachers through the Teach 1st scheme.

Other grants, sales and donations – this represents funds received to assist with a range of other activities. This year funding has been received from: the Duke of Edinburgh Diamond scheme to support the Academy's Duke of Edinburgh activities; the Garfield West Foundation to support student mental health at the Academy and Wave 105 to support the cost of Literacy support work. Funds have been spent in accordance with their purpose.

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

17. FUNDS *(continued)*

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. Transfers into the fund relate to Disadvantaged Student funding used to support these students to go on educational 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 ESFA 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 donations for acquiring assets. The costs within this fund are the depreciation costs of the assets included within the fund. Transfers into this fund relate to the value of fixed assets acquired using funding from other funds.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets Fund	Total 2018
	£	£	£	£
Tangible fixed assets	-	-	9,342,022	9,342,022
Current assets	79,403	500,320	28,643	608,366
Current liabilities	-	(495,370)	-	(495,370)
Pension scheme liability	-	(2,797,000)	-	(2,797,000)
	<u>79,403</u>	<u>(2,792,050)</u>	<u>9,370,665</u>	<u>6,658,018</u>

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets Fund	Total 2017
	£	£	£	£
Tangible fixed assets	-	-	9,518,628	9,518,628
Current assets	55,071	531,932	25,315	612,318
Current liabilities	-	(482,216)	-	(482,216)
Non-current liabilities	-	(34,716)	-	(34,716)
Pension scheme liability	-	(3,118,000)	-	(3,118,000)
	<u>55,071</u>	<u>(3,103,000)</u>	<u>9,543,943</u>	<u>6,496,014</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

19. LEASE COMMITMENTS

The Academy has entered into a lease from 15 January 2016 to occupy the premises of the predecessor school, which are owned by Bournemouth Borough Council. The lease is for peppercorn rent and for a length of 125 years.

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	44,599	53,528
Amounts due between one and five years	82,049	61,114
	<u>126,648</u>	<u>114,642</u>

20. MEMBERS' LIABILITIES

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

21. CAPITAL COMMITMENTS

There were no capital commitments in either year.

22. NOTES TO THE CASH FLOW STATEMENTS

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

	2018	2017
	£	£
Net (expenditure) (as per the Statement of Financial Activities)	(523,996)	(405,235)
Depreciation	253,435	280,321
Defined benefit pension scheme cost less contributions payable	278,000	223,000
Defined benefit pension scheme finance cost	87,000	(142,000)
Capital grants from ESFA and other sources	(69,491)	(19,596)
Interest receivable	(580)	(52)
(Increase) in Stock	(1,369)	-
(Increase)/Decrease in debtors	(36,325)	11,488
(Decrease)/Increase in creditors	(21,562)	152,573
Net cash provided by / (used in) in operating activities	<u>(34,888)</u>	<u>100,499</u>

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

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

Cash flows from investing activities

Interest and rents from investments	580	52
Purchase of tangible fixed assets	(76,829)	(21,826)
Capital grants from ESFA	19,491	18,366
Capital funding received from other sources	50,000	1,230
Net cash outflow from investing activities	<u>(6,758)</u>	<u>(2,178)</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand and at bank	314,182	355,828
Total cash and cash equivalents	<u>314,182</u>	<u>355,828</u>

24. 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 multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding contributions payable to the schemes at 31 August 2018 (2017 - £68,486 was outstanding at 31 August 2017 and was included within creditors).

Teachers' Pension Scheme

Introduction

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

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

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS *(continued)*

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £340,644 (2017 - £334,064).

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

Under the definitions set out in Financial Reporting Standard 102, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contributions 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. The total contribution made for the year ended 31 August 2018 was £262,000 (2017 - £258,000), of which employer's contributions totalled £195,000 (2017 - £190,000) and employees' contributions totalled £67,000 (2017 - £68,000). The agreed contribution rates for future years are 18.8% for employers and between 5.5% and 12.5% for employees.

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

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS *(continued)*

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.2%
Rate of increase for pensions in payment / inflation	2.30%	2.7%
Discount rate for scheme liabilities	2.65%	2.6%
Inflation assumption (CPI)	2.30%	2.7%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2018	At 31 August 2017
Retiring today:		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years:		
Males	26.3	26.2
Females	28.5	28.3

Sensitivity Analysis	At 31 August 2018	At 31 August 2017
	£'000	£'000
Discount rate +0.1%	4,885	4,929
Discount rate -0.1%	5,156	5,203
Mortality assumption – 1 year increase	5,191	5,238
Mortality assumption – 1 year decrease	4,853	4,896
CPI rate +0.1%	5,143	5,184
CPI rate -0.1%	4,899	4,947

The Academy's share of the assets were:

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£'000	£'000
Equities	1,213	1,073
Gilts	278	259
Alternative assets	133	85
Property	225	171
Cash	21	52
Other bonds	154	220
Infrastructure	95	86
Multi asset credit	103	-
Total market value of assets	2,222	1,946

The actual return on scheme assets was £47,000 (2017 - £239,000).

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS *(continued)*

Amounts recognised in the Statement of Financial Activities

	Fair value at 31 Aug 2018	Fair value at 31 Aug 2017
	£'000	£'000
Current service cost (net of employee contributions)	(473)	(413)
Net interest cost	(78)	(59)
Administration expenses	2	1
Total operating charge	<u>(549)</u>	<u>(471)</u>

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

	2018	2017
	£'000	£'000
At 1 September	5,064	4,350
Current service cost	473	413
Interest cost	132	96
Estimated benefits paid net of transfers in	(31)	(53)
Employee contributions	67	68
Actuarial (gain)/loss	(686)	190
At 31 August	<u>5,019</u>	<u>5,064</u>

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

	2018	2017
	£'000	£'000
At 1 September	1,946	1,578
Interest income	54	37
Return on plan assets (excluding net interest on the net defined pension liability)	(7)	202
Other actuarial gains/(losses)	-	(75)
Employer contributions	195	190
Employee contributions	67	68
Estimated benefits paid	(31)	(53)
Administration expenses	(2)	(1)
At 31 August	<u>2,222</u>	<u>1,946</u>

The estimated value of employer contributions for the year ended 31 August 2019 is £195,000.

THE BOURNE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Included within other debtors is a balance of £4,759 (2017 - £5,000) due from The Bourne Foundation, a connected charity. During the year the Academy collected and bank contributions for the Bourne Foundation totalling £241 (2017 - £nil).

26. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2018 the Academy received £15,146 (2017 - £13,215) and disbursed £16,367 (2017 - £15,307) from the fund. An amount of £281 (2017 - £1,502) is included in Other Creditors relating to the undistributed funds that are repayable to the ESFA.