

Registered company number: 07768726 (England and Wales)

**BOURNE EDUCATION TRUST**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**BOURNE EDUCATION TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees present their report and the financial statements of Bourne Education Trust (referred to as the "Academy Trust") for the year ended 31 August 2019.

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

The date of incorporation of Bourne Education Trust was 1 September 2011. With effect from 1 September 2013, the Academy Trust became a Multi-Academy Trust (MAT). The Trust is now comprised of the following schools:

1 October 2011	Epsom & Ewell High School
1 September 2013	Jubilee High School
1 December 2013	Pycroft Grange Primary School
1 January 2014	Sythwood Primary School and Children's Centre
1 June 2014	Sayes Court Primary School
1 December 2014	The Matthew Arnold School
1 December 2015	Brookwood Primary School
1 May 2017	Auriol Junior School
1 September 2017	Everest Community Academy
1 September 2017	Chertsey High School (free school)
1 June 2018	West Ewell Primary School
1 July 2018	Meadow Primary School
1 June 2019	Broadmere Primary School
1 June 2019	New Monument Primary School
1 July 2019	Woodmansterne Primary School

The Academy Trust is led by the Board of Trustees who are also the directors of the charitable company and who have held office since 1 September 2018 as follows:

Name	Role	Appointment/resignation dates (if relevant)
Sara Lipscombe Nott	Chair	Re-appointed 27 September 2019
Alex Russell	CEO & Accounting Officer	
Peter Deane	Trustee	
Stephen Dennison	Trustee	
Susan Gibbin	Trustee	
Liz Hughes	Trustee	Resigned 2 January 2019
Chris Marston	Trustee	Resigned 27 September 2019
Chris Munro	Trustee	Re-appointed 27 September 2019
Sarah Pittam	Trustee	
Audrey Wade	Trustee	
Charmain Browning	Trustee	Appointed 5 June 2019

The members of the company are:

Name	Role	Appointment/resignation dates (if relevant)
Sara Lipscombe Nott	Member	
David Burr	Member	Appointed 7 February 2019
Chris Marston	Member	Appointed 27 September 2019
Tony Oakden	Member	
Alan Richardson	Member	Resigned 5 September 2018
John Stockley	Member	
Sue Tresilian	Member	Resigned 27 June 2019

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

The principal address of the charity and the registered office of the company are the premises of the sponsoring Academy, Epsom & Ewell High School, at Ruxley Lane, Epsom, Surrey KT19 9JW.

The trustees have made the following professional appointments:

**Auditors**            UHY Hacker Young LLP  
                            Quadrant House, 4 Thomas More Square  
                            London E1W 1YW

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

During 2018/2019, in addition to the Chief Executive Officer, the following other key senior members of staff were responsible for the day-to-day management of the Academy Trust:

Kate Sanders	Chief Operating Officer and Company Secretary
Katy Backinsell	Head of Finance
Rob Isaac	Trust Project Manager
Penny Alford	Executive Headteacher, Everest Community Academy
Gayle Jenkins	Executive Leader and Executive Headteacher, Meadow Primary School
Steve Price	Executive Leader and Executive Headteacher, Jubilee High School
Mandy McDowall	Headteacher, Auriol Junior School
Judy Hall	Executive Headteacher, Broadmere Primary Academy & New Monument Primary Academy
David Gunning	Headteacher, Brookwood Primary School & Children's Centre
Zelia Munnik	Headteacher, Chertsey High School
James Newman	Headteacher, Epsom & Ewell High School
Hannah Dibden	Head of School, Everest Community Academy
Mark Conroy	Head of School, Jubilee High School
Laura Benardout	Head of School, Meadow Primary School
Sue Nardoni	Headteacher, Pyrcroft Grange Primary School
Rochelle Richmond	Headteacher, Sayes Court Primary School & Children's Centre
Nicola Matheson	Head of School, Sythwood Primary School & Children's Centre
Mary Gould	Headteacher, The Matthew Arnold School
Mia Bennett	Headteacher, West Ewell Primary School
Clare Goldsmith	Headteacher, Woodmansterne Primary School

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Academy Trust is an exempt charity that is not therefore required to register with the Charity Commission, however the Academy Trust has registered with HM Revenue and Customs as a charitable entity under the reference number XT35927. The company is incorporated in England and Wales with the company registration number 07768726. The charitable companies' memorandum and articles are the primary governing documents. The Trust also operates trading in the names of its schools listed on page 2 and through two trading subsidiaries, Bourne Education Trust Enterprises Limited and Matthew Arnold Enterprises Limited. Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference & Administrative Details on page 2.

##### **Status & History**

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

The principal activity of the Academy Trust is to run a multi-academy structure comprising primary and secondary schools and Children's Centres for boys and girls in Hampshire and Surrey. Running of Children's Centres by the Trust has ceased or will cease during 2019-2020 as Surrey have redesignated these as Family Centres and are consolidating the number of providers.

The original Academy Trust was incorporated on 9 September 2011 and was governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 9 September 2011. With the move to Multi-Academy Trust status, the Academy Trust's governing document was updated by the adoption of new Articles of Association dated 2 August 2013 and again dated 14 February 2017.

##### **Members' Liability**

Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

##### **Trustees' Indemnity**

In accordance with widespread Academy Trust practice, the Academy Trust has purchased cover to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. This has been arranged with effect from 1 September 2017 through the government's Risk Protection Arrangement (RPA). This provides unlimited cover in respect of professional indemnity insurance. The cost for the year ended 31 August 2019 was levied at a cost of £20 per pupil within the total costs of the RPA and is not separately identifiable.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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

During the year 2018-2019, the board of the Academy Trust comprised the Chief Executive Officer, the Chair and independent trustees. A skills audit carried out in September 2016 had identified skills gaps in the area of HR and the Trust has appointed a trustee with this as a specialism during 2018-2019 using Academy Ambassadors. One trustee has resigned with effect from 27 September 2019 and has instead become a Member; the board will be looking to appoint to this vacancy. New trustees are given a trustee's induction pack. The chair and vice chair of the board are nominated and reappointed annually.

During 2018-2019, the Academy Trust consulted on a new model of local governance after consideration of the DfE's advice on the constitution of governing bodies. Following the DfE's key recommendations the Trust will be moving towards Local Governing Committees (LGCs) in order to recognise the importance of LGCs as committees of the board, the recommendation for smaller but more effective governing bodies outlined in the Governance Handbook and to reflect the increasing centralisation of responsibilities outlined in the Academies Financial Handbook 2019 (AFH). Local Governing Bodies will be transitioning to this new model over the next two years.

LGCs or the legacy LGBs of each school comprise the headteacher and governors including parent governors and other appointed governors. Parent governors are normally elected by parents of students registered at the school and the local Governing Body makes arrangements to notify parents of a vacancy and oversees a secret ballot where the number of nominees exceeds the number of vacancies. Other governors are appointed after discussions with local community groups and businesses dependent on the person specification required. Volunteers first visit the school and, where appropriate, a recommendation would be made for a candidate to be presented to the full Governing Body with a view to appointment. Staff governors remain on LGBs and are similarly elected by staff. LGCs do not have staff governors; engagement with staff will be through staff fora as the Trust has found that LGBs have not resulted in meaningful engagement with staff. All new governors are given an induction pack and, if not familiar with the school, are invited to a tour and to meet key governors and staff. Training is provided by an outside consultancy specialising in governor training. There is a named governor to provide details of relevant courses encourage, attendance and monitor governor-wide training undertaken.

It is the Academy Trust's policy to advertise nationally all vacancies for Headteachers unless there is a clear business case for following an internal process. Other posts will be advertised externally or internally after a review of the situation facing each school. During 2018-2019, the Trust appointed Mark Conroy (Head of School, Jubilee High School) and Laura Benardout (Head of School, Meadow Primary School).

#### **Organisational Structure**

The management structure of the Bourne Education Trust consists of five levels: the Academy Trust board and its committees including LGCs, the Executive Group (of Headteachers in the Trust, CEO, Chief Operating Officer, Executive Leaders and Trust Project Manager), the senior leadership teams and the middle leadership teams. The aim of the management structure is to devolve responsibility, improve accountability and encourage involvement in decision-making at all levels.

The trustees of the Academy Trust board fulfil a strategic role. They monitor the performance of individual schools in the Academy Trust against key performance indicators and appropriate schemes of delegation. Intervention in individual schools within the Academy Trust is driven by performance against the key performance indicators and on the advice of the Chief Executive Officer. In accordance with the requirements of the AFH 2019, there are five members of whom only one is also a trustee and no members are trust employees.

The governors on the local Governing Bodies fulfil a largely strategic role in relation to their local schools. They adopt the individual school's strategic and annual development plans and monitor the annual budget once approved by the Trust Board. They monitor the school's performance and, on advice, make decisions about the

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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direction of the school, its capital expenditure and senior staff appointments.

The trustees of the Academy Trust have been supported by the Chief Executive Officer (also a trustee), the Chief Operating Officer and the Clerk to the Board.

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

The schools are supported by senior leadership teams which run the schools at both an executive and operational level. These teams implement the policies and annual development plan laid down by the governors and report back to the governors termly on the progress made towards fulfilling them. At an operational level the senior leadership team provides strong leadership and management for the school community, in particular organising and developing the teaching staff, learning environment and students' learning. As a group, the senior leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the Trust or local Governing Bodies and the headteachers are responsible. Some spending control is devolved to members of senior leadership team and appointed budget holders.

The middle leadership teams consist of all curriculum and pastoral leaders. They are responsible for the day-to-day implementation of the school development plan, the delivery of the curriculum, exam preparation and performance and ensuring the well-being of students. They, along with teachers and tutors, are also the first point of contact for parents and carers.

#### **Arrangements for setting pay and remuneration of key management personnel**

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

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

- An external adviser is commissioned (in the Bourne Education Trust this is usually the Executive Leader/'Cluster Leader' responsible for that cluster of schools);
- The appraisal panel meets to discuss points to raise;
- The external advisor meets with the headteacher;
- The external advisor, headteacher and appraisal panel meet together;
- The external advisor summarises the results of the meetings in a review document;
- The appraisal panel makes recommendations about headteacher pay to a pay review panel of other governors.

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

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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

- Pay awards in similar organisations as stated in their financial statements;
- Recommendations of the School Teachers' Pay and Conditions Document (STPCD);
- Recommendations of relevant support staff pay bodies;
- The pay relativities between schools in the Trust, other local similar institutions and between the senior staff member and other staff members.

The Trust is keenly aware of the Education and Skills Funding Agency (ESFA) scrutiny on senior executive pay and have carried out an audit on MAT senior staff pay during 2018-2019 to ensure its processes meet external scrutiny.

#### **Trade Union Facility Time**

##### **Relevant Union Officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

##### **Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	
1%-50%	1
51%-99%	
100%	

##### **Percentage of pay bill spent on facility time**

Percentage of time	Number of employees
0%	
1%-50%	1
51%-99%	
100%	

##### **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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#### **Related Parties and other Connected Charities and Organisations**

Jubilee High School hosts the Runnymede South Confederation and provides a small administrative office and access to the schools meeting rooms to support training for the local primary schools within the group. The Trust is part of a group of schools supporting the Schools Direct programme with St John the Baptist, Woking as the lead school and St Mary's University College, Twickenham as the ITT provider. The Academy Trust has



## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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a school to school support arrangement with Salesian School, Chertsey who as a National Teaching School will also provide training support for groups of teaching staff across the Trust.

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable objectives**

The charitable objectives for which the Academy Trust is established are set down in the governing document as follows:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academics"); and
- To promote for the benefit of the inhabitants of the areas served by the Academies the provision of facilities, for recreation or other leisure-time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

##### **Principal Activities**

The principal activities of Bourne Education Trust is in accordance with its objectives advancing education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering broad and balanced curricula. In addition, the Trust promotes recreational facilities to improve the condition of life for local residents. The details of the objectives, strategies and activities of each school within the Multi-Academy Trust are outlined in their individual school development plans.

##### **Public Benefit**

The trustees confirm that they have referred to the guidance provided by the Charity Commission in respect of public benefit when reviewing the Trust's aims and objectives (as set out above) and in planning future activities and setting appropriate policies for future years.

##### **Connected Organisations, Including Related Party Relationships**

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

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **STRATEGIC REPORT**

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

The Bourne Education Trust grew during 2018-2019 to include Broadmere and New Monument Primary Academy Trust which joined on the 1 June 2019 and Woodmansterne Primary School which joined on the 1 July 2019. The Trust is now responsible for the education of approximately 6,600 children and employment of 900 staff.

The Bourne Education Trust ensures that high quality teaching and support staff are employed, and we work continually to improve teaching and learning. The Academy Trust's integrated curriculum financial planning means that we review the staffing requirements needed to meet our educational delivery a minimum of a year ahead allowing for early recruitment and efficient budgeting. Whole staff training, either as a collective or in teams, is organised weekly. Activities reflect both Academy Trust and individual school priorities as outlined in their respective development plans and build on individuals' needs as identified in their performance management targets. Training is delivered by the leadership team and/or identified lead practitioners within each school and across the Academy Trust.

Schools within the Academy Trust work closely together both within and across phases to share best practice, specialist expertise and resources, pool ideas and challenge one another to further raise standards. Collaboration also extends beyond the Academy Trust. We regularly meet with secondary and primary networks/confederations which allows us to share best practice and training and ensure that the Academy Trust is supporting local collaboration and initiatives.

To ensure that standards are continually raised, the schools' development plans are directly linked to the Academy Trust's strategic objectives, which are reviewed annually by the board. The intervention work of the Academy Trust and the progress being made by each school towards its key performance indicators and agreed targets is quality assured by an external Academy Trust improvement partner supported by school leaders from across the Academy Trust. Schools report to the Academy Trust's performance and standards committee termly and the CEO and Executive Leaders half-termly.

#### **ACHIEVEMENTS AND KEY PERFORMANCE INDICATORS**

##### **Auriol Junior School**

The school joined the Trust on 1 May 2017 as a converter academy. Graded as a good school in May 2015 the school has continued to perform strongly. In this summer's standard assessment tests, it performed significantly above the national average in all disciplines and showed very good progress in reading and mathematics. The school has a hearing impaired unit and works closely with Epsom and Ewell High School that has the quadrant's secondary unit and for which it is a main feeder school.

##### **Broadmere Primary School**

The school joined the Trust on 1 June 2019 as part of merger between the Trust and Broadmere and New Monument Primary Academy Trust. Graded good by Ofsted in May 2017, the school is well led by an experienced executive headteacher and performed well in the key stage 2 assessments this summer with positive progress across all disciplines. Attainment was marginally below the national average which reflected the complexity of its cohort and significant pupil instability resulting from a local but widespread urban regeneration programme.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Brookwood Primary School**

The school joined the Trust on the 1 December 2015 as a sponsored primary academy. Graded as a good school by Ofsted just prior to joining, it improved on this grading during its full inspection in September 2018 with good overall but outstanding for its early years' provision. Its performance this summer was above the national average and progress in writing was particularly good. The school consistently delivers good academic results.

#### **Chertsey Primary School**

Chertsey High School was opened as a free school by the Trust in September 2017. It is now in its third year of operation and is currently full. Bourne Education Trust has entered into a strategic agreement with Salesian School, Chertsey to support the growth and development of Chertsey High School. The school moved into its new permanent building on time and on budget during the summer of 2019.

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

The school is now well-established and consistently delivers good results at both GCSE and A level. It is increasingly popular in the local area and its roll is increasing year-on-year. This will be helped by the significant capital investment it is due to receive to improve its sports and classroom facilities over the next few years.

The school has performed well again this summer. A level attainment and progress scores were up from last year and the average points score above both the Surrey and national averages. All leavers are attending university, embarking on apprenticeships or entering work. Once again, at GCSE the school's progress 8 was positive and the performances of disadvantaged pupils and those with special educational needs or disabilities were above the national average. The school has a specialist unit for those with hearing impairments and once again, those students performed extremely well in all aspects of school life.

#### **Everest Community Academy**

Everest Community Academy joined the Trust on 1 September 2017 having been re-brokered from another Multi-Academy Trust because of its prolonged poor performance. The transformation of the school continues with attendance, attainment, behaviour and the quality of teaching and learning continuing to improve. The school's financial position has been stabilised and pupil numbers are beginning to show significant growth in the junior years.

This summer's exam results maintained the upward trend in attainment. Progress scores were disappointing and reflect the legacy issues that are having to be addressed. The school is on track to show significant improvement in progress in future as pupils benefit from consistently better teaching during their time at the school.

#### **Jubilee High School**

Jubilee High School joined the Trust on 1 September 2013. In July 2015 was graded the school as 'good' in all aspects and again its short inspection in October 2018. The school plays an active role in supporting the work of the Trust. The school had a change of headteacher this year with a high performing leader from another trust school moving to lead it. This summer's exam results were much improved on last year and showed positive progress for all pupils. The performance of disadvantaged pupils was particularly good and above the national average.

#### **Meadow Primary School**

Meadow Primary School joined the Trust on 1 July 2018 as a converter academy. The school was graded as good during its inspection in January 2018. It provides significant capacity to the Trust with its headteacher, a National Leader of Education, being one of the Trust's executive leaders. The school consistently delivers

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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academic results well above the national average, both at expected and greater depth, and did so again this summer. The school's headteacher also leads one of the Trust's clusters and oversees its primary phase.

#### **New Monument Primary Academy**

The school joined the Trust on 1 June 2019 as part of merger between the Trust and Broadmere and New Monument Primary Academy Trust. Graded good by Ofsted in June 2018, the school is well led by an experienced executive headteacher. The school saw disappointing attainment in all areas of the key stage 2 tests but strong progress in mathematics. That cohort has a high proportion of EAL pupils which impacted on levels of literacy. The school is confident that these will be addressed during next year.

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

Pyncroft Grange Primary School joined the Trust on 1 December 2013 and is the highest performing primary school in the Trust in terms of both attainment and progress. The school was inspected by Ofsted in January 2017 and graded outstanding in all areas. Its performance in this summer's standard assessment tests was once again excellent. It has placed itself in the heart of its community and was the most oversubscribed school in Surrey this year.

#### **Sythwood Primary School**

Sythwood Primary School joined the Trust on 1 January 2014. The school underwent a section 8 Ofsted inspection in November 2016 and was found still to be good. It continues to grow in size and is becoming increasingly popular in its locality. This summer the school has performed well above the national average in all disciplines at key stage 2 as well as achieving very strong progress scores in reading, writing and mathematics.

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

Sayes Court Primary School joined the Trust on 1 June 2014 when it was in special measures. Under the appointment of executive headteacher and a substantive headteacher from within the Trust it has been completely transformed. The school had its Ofsted inspection in June 2017 and was graded good in all areas. This year it opened a nursery and is full in reception for the first time. It is growing in popularity in the local area and once again this summer saw strong academic performance in the key stage 2 tests.

#### **The Matthew Arnold School**

The Matthew Arnold School joined the Trust on 1 December 2014 as a sponsored secondary academy. The Trust has overseen the complete transformation of the school since it was placed in special measures in July 2014 and in June 2018 Ofsted found it to be a good school in all aspects. This summer it again performed well with strong examination results and a positive progress 8 score. The school's future is exciting with a complete re-build now underway and growing numbers in the junior years.

#### **West Ewell Primary School**

The school joined the Trust on 1 June 2018 as a converter academy. Previously an infant school, the local authority requested that it become a primary school with effect from 1 September 2017. This will come to fruition in 2020. The school has a very strong local reputation and was graded outstanding when it was last inspected in 2010. It will need to be re-inspected as a primary school. Its results at key stage 1 this summer reflect its previous expertise as an infant school. They were very strong. As a primary school it will feed into Epsom and Ewell High School. The two schools currently share sports facilities and this collaboration will only continue to grow.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Woodmansterne Primary School**

The school joined the Trust on 1 July 2019 as a converter academy. It was graded good by Ofsted during its inspection in November 2016 and consistently produces strong outcomes in keeping with this status. This summer it was above national average for attainment and progress in all disciplines at key stage 2. The school has just opened a nursery, which is full, and has growing numbers in the junior years reflecting its popularity in the local area. It is well led by an experienced headteacher.

#### **FINANCIAL REVIEW**

##### **Financial Review and Key Financial Performance Indicators**

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019, the total expenditure of £38,107,549 (2018: £32,244,843) was less than the total of incoming resources of £64,961,645 (2018: £83,171,230) including the significant fixed assets acquired, as referred to below, allowing the Academy Trust to carry forward significant fund balances for utilisation in future years.

At 31 August 2019, due to the growth of the Multi-Academy structure the net book value of tangible fixed assets had grown to £151,468,041 (2018: £124,379,850) and movements in tangible fixed assets are shown in more detail in the notes to the financial statements. These assets were exclusively those used for providing education and the associated support services to the students of the schools within the Academy Trust.

From the actuarial valuations for the year ended 31 August 2019, the FRS 17 pension deficit on the Academy Trust's proportion of the Surrey Local Government Pension Scheme had increased from the prior year and at 31 August 2019 stood at £18,310,000 (2018: £10,292,000).

The Trust received £400,601 in capital funding from the ESFA on a formula basis (2018: £1,253,722) in funding through bids).

##### **Reserves Policy**

The trustees have agreed a Reserves Policy for the Academy Trust which will be reviewed annually. The review encompasses the nature of income and expenditure streams and the need to match income with commitments.

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

No funds or subsidiaries are materially in deficit. Two of the Trust's schools, Brookwood Primary School and Everest Community Academy are financially vulnerable but the Trust has taken effective action to ensure both schools remain going concerns.

As at 31 August 2019, free reserves amounted to £5,140,520 (2018: £3,907,011) but it is anticipated that much of this free reserve balance will be utilised over the course of the next 3 academic years as the Academy Trust expands the scope of its operations.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Investment Policy**

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

Interest earned on bank accounts and investments during the year amounted to £27,564 (2018: £7,305).

#### **Going Concern**

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

#### **PRINCIPAL RISKS & UNCERTAINTIES**

The Trust is exposed to the major risks of the industry such as loss of key staff, shortfalls in funding that have not been anticipated, changes in funding formulas, significant downturns in performance, reduction in the school roll and/or adverse Ofsted judgements. The Trust works to minimise the risks through day to day practices. In addition to this, the principal Risk Management objective of the Trust is to outline in its Board Assurance Framework the gaps the Trust faces in achieving its strategic aims. The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to leadership, educational standards, expansion and operational standards. Review of the Board Assurance Framework falls within the terms of reference of the Board and the Finance & Audit Committee. By frequent review the Trust ensures that any remedial actions are taken in a timely manner where required.

#### **Fundraising**

Fundraising for the Trust takes the following forms:

- Fundraising on behalf of the school through Parent Teacher Associations holding summer fairs and similar events;
- Donations from parents;
- Students and staff engaging in fundraising for external charities;
- External charitable bodies have made donations to the Children's Centres or schools for a specific beneficiary.

The Trust aims to meet the fundraising code of practice which is that any fundraising will be legal, open, honest and respectful. The Trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and ensure that all funds raised for a particular cause must be used for that particular cause. The Trust has not received any fundraising complaints.

## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **PLANS FOR FUTURE PERIODS**

Bourne Education Trust (BET) will continue striving to improve the levels of performance of the students attending any of its member schools as reflected in its mission statement and individual school development plans. It aims to establish ways to benefit the wider community and provide direct access to school facilities, curricular materials and the expertise of staff. This is evidenced by our professional partnerships with other schools.

Teddington School joined the Trust on 1 December. Teddington School has an unfavourable Ofsted judgement and a Financial Notice to Improve (FNI) but the Trust has been working with the school during 2018-2019 and is confident that it is on track to receive a Good Ofsted judgement in 2019-2020 and will clear the financial deficit during the next 12-18 months. The Trust has been working with Glebelands School.

The DfE approved the sale of an unusable field at Epsom & Ewell High School, the benefit of which will be invested in sports and education facilities at schools across the trust and on the 5 September 2019 planning permission was granted for the development of the land. It is hoped that the enabling works that precede the main construction works will begin in the early spring of 2020.

The Matthew Arnold School was successful in a Priority Schools Building Programme 2 bid and the feasibility stage of the project commenced in September 2016. The first works to replace the artificial grass pitch being built over are now complete and work has begun on the piling and foundations for the new build. Completion of the new school is anticipated for early January 2021.

Bourne Education Trust will continue to look at the accommodation available to its member schools and to plan for the redevelopment of areas of those school sites where buildings have reached the end of their useful life. The size of the Trust means that it now receives School Condition Allocation on a formula basis and it has targeted this funding towards significant condition, health & safety and safeguarding concerns as advised by the SCA fund guidance.

BET offers its own high speed broadband, internet filtering, firewall and safeguarding solution to schools, served by its own data centre. BET schools currently not using this service will be transferring as soon as their existing broadband contracts expire. The last schools to do so will be Everest Community Academy and Meadow Primary School who will join in February 2020. Moving all BET schools to a single domain will allow the central IT team to provide a managed service to all schools by applying consistent policies and templates across all devices in all schools.

#### **Funds held as Custodian Trustee on Behalf of Others**

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

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

#### **Auditor**

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

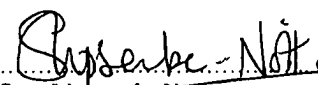
## **BOURNE EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

  
Sara Lipscombe Nott Chair  
6 December 2019



## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bourne Education Trust and the Secretary of State for Education. He is also responsible for reporting any material weaknesses or breakdowns in internal control.

#### **GOVERNANCE**

The information on governance included here supplements that described in the trustees' report and in the Statement of Trustees' Responsibilities.

The Trust Board reviews its vision, ethos and strategy through strategy days in collaboration with executive leaders. The Academy Trust is mindful of the rapidly changing landscape and direction of travel outlined by the DfE in creating sustainable and effective trusts. This has resulted in an overarching long term strategy for the Trust based on filling the Trust's gaps with any decision to grow or merge underpinned by robust due diligence. This longer term strategy is supported by the Trust Development plan which defines the short to medium term strategic goals and development and improvement priorities which is shared throughout the organisation.

The Trust Board ensures that its risks are aligned with strategic priorities and improvement plans and that appropriate intervention strategies are in place through its Board Assurance Framework. The next step will be to embed this approach to risk management throughout all levels of the organisation and improve the Trust's oversight of Health & Safety.

During 2018-2019, the Trust board has reviewed the effectiveness of governance structures and consulted on a new model of local governance after consideration of the DfE's advice on the constitution of governing bodies. Following the DfE's key recommendations the Trust will be moving towards Local Governing Committees (LGCs) in order to recognise the importance of LGCs as committees of the board, the recommendation for smaller but more effective governing bodies outlined in the Governance Handbook and to reflect the increasing centralisation of responsibilities outlined in the Academies Financial Handbook. Local Governing Bodies will be transitioning to this new model over the next two years.

The Academy Trust drives up educational standards and financial health through rigorous analysis of pupil progress, attainment and financial information with comparison against local and national benchmarks and over time. There are clear processes in place for overseeing and monitoring school improvement and financial health, providing constructive challenge to executive leaders managed by the Performance & Standards Committee and the Audit & Finance Committee. In 2017-2018 the Academy Trust established the HR & Remuneration Committee to ensure that there is a rigorous system for performance managing executive leaders linked to defined strategic priorities. The next step is to improve the Board's oversight of the performance of all other employees and the framework for their pay and conditions of service.

The Trust Board ensures that it has people with the right skills, experience, qualities and capacity by carrying out regular skills audits. It employs the support of Academy Ambassadors to source candidates for trustees that understand the purpose of governance and the role of non-executive leadership. The Trust Board has worked hard during 2018-2019 to ensure a clear separation between strategic non-executive oversight and operational executive leadership supported by positive relationships that encourage a professional culture and ethos across the organisation. The Trust held two annual meetings for governors, trustees, members and senior staff of the Trust to be kept up to date with developments and the strategic direction of the Trust. The first meeting for governors, trustees and members took place on 23 May 2019. The second meeting for trustees, members and

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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senior staff of the Trust took place on 27 June 2019.

Significant separation between members and trustees is enabled by clear terms of reference. The Academy Trust has evaluated the quality and impact of its governance during 2018-2019 by commissioning an internal audit on Governance.

The board of trustees has met formally five times during the financial year. Attendance at meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Sara Lipscombe Nott	6	6
Alex Russell	6	6
Charmain Browning (appointed 5 June 2019)	1	1
Peter Deane	5	6
Stephen Dennison	5	6
Susan Gibbin	5	6
Liz Hughes (resigned 2 Jan 2019)	2	2
Chris Marston	5	6
Chris Munro	5	6
Sarah Pittam	6	6
Audrey Wade	6	6
Kate Sanders (as COO/ Company Secretary)	6	6
Roger Evans (as Clerk to the Board)	6	6

The key changes in the composition of the board have been the appointment of an additional Trustee with HR skills and experience through Academy Ambassadors.

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

<b>Committee Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Chris Marston	2	3
Peter Deane	3	3
Liz Hughes 11 (resigned 2 Jan 2019)		
John Stockley	3	3
Audrey Wade (chair)	3	3
Kate Sanders (in attendance)	3	3
Roger Evans (Clerk to the Committee)	3	3

### **REVIEW OF VALUE FOR MONEY**

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

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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- Leadership & Governance standards have continued to improve by:
  - Moving to a full time CEO
  - Moving from Local Governing Bodies to Local Governing Committees
  - Executive Leaders gaining a national qualification, NPQEL, first cohort
  - Continued use and deployment of BET's National Leaders
  - Effective use of associate status to make move to full trust member seamless
  - Internal audit review on Governance
- Educational standards have continued to improve across our schools through a range of initiatives:
  - Successful pilot OFSTED completed for primary and secondary phases
  - Cross phase collaboration ensuring rapid progress in key stage 3
  - Vertical growth with two additional nurseries
- Financial oversight has improved by:
  - Appointment of independent external internal auditors
  - School specific short notice financial internal audit reviews
  - 'Deep dive' internal audit reviews on Procurement and MAT scalability
  - Joint procurement activities in IT, HR and Catering
  - Development of a cluster strategy in response to the growth of the Trust
  - Colleagues working across schools, groups of schools to develop skills and look towards succession planning
  - Deficit recovery plan implemented at Brookwood Primary School
  - School to school support for a school in financial difficulty

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

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

The Trust has appointed a COO, two Executive Leaders 'Cluster Leads', Head of Finance and Assistant, Trust Project Manager, PA & Project Coordinator, Head of IT, part time Regional IT leads and a Trust Business Manager to work at Trust level, according to a service level agreement, to support the CEO and board in ensuring the performance of schools. The Trust also has an Executive Group made up of all its headteachers, CEO, COO and the Trust Project Manager so that schools share best practice and collaborate on supporting the Trust schools. Any issues requiring additional input or information are fed back to the school's governing body through the Executive Team.

All schools in the Trust are held to account educationally by its Performance and Standards Committee and financially by the Finance & Audit Committee. These committees report to the main Board. The Trust has appointed an educational consultant to quality assure a number of its school Teaching & Learning reviews and provide objectivity to the judgements made.

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Financial governance and oversight**

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

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

The Finance & Audit Committee has responsibility for making recommendations on financial reporting, internal control, risk management and external audit to assist the Trust in fulfilling its oversight responsibilities and refers major issues for ratification. During 2018-2019 the Trust appointed Buzzacott LLP to carry out a programme of internal audit investigations. These took the form of three short notice 'deep dive' reviews into three schools in the Trust and three reviews into Governance, MAT Scalability and Procurement.

The school based reviews confirmed that resources have been managed with regularity and propriety albeit recommending areas for improvement. The Governance, MAT Scalability and Procurement reviews have provided the Trust with a view of its strengths and possible areas for development. Regularity and propriety has also been confirmed by unqualified audit reports for each year of academy status.

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

#### **Procurement and cross Trust collaboration**

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

Governance: The Trust has one board vacancy due to the resignation of a trustee to become a member. Through Academy Ambassadors we have recruited an additional trustee with the experience to offer robust challenge to the Trust in the area of HR. We will be looking for a trustee with business and finance skills to fill the remaining vacancy.

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

## **BOURNE EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Integrated Curriculum & Financial Planning:**

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

**Procurement:** The Trust has embarked upon three significant IT projects undertaken, which when concluded, will ensure all BET schools have access to the Trust's secure, fast fibre broadband and network infrastructure that will allow a much higher degree of collaboration and resource sharing between BET schools than is currently possible. Apart from cost benefits these facilities allow staff to work in a more seamless fashion across the Trust and sets the basis for a minimum IT standard across all Trust schools. The internal audit report on Procurement has proposed a more strategic approach to which the business managers of the Trust have worked on during September 2019 and will continue to develop during the year.

**Project Management:** We have used a combination of direct quotations and quotations through a building project management company to ensure that we get best value for money in refurbishment and capital projects. The Trust is now large enough to receive its School Condition Allocation on a formula basis and has worked on a Trust wide agreement for prioritising the allocation of funding (based on critical need and the SCA guidance) to ensure value for money. Projects to the value of £1.5m have been undertaken in BET schools this year, with a number of roof replacements, electrical upgrades and fire precaution works being completed. A significant remodelling of the junior block classrooms at Sythwood Primary School has also been carried out, creating much more appropriate teaching spaces. The process of reviewing the priorities for the BET estate for 2019-20 has already begun in preparation for the next release of SCA in April 2020.

**Staffing:** We continue to use benchmarking to ensure structures that are fit for purpose, value for money and enhanced support for pupils. A standardised approach to curriculum planning is employed across the secondary schools. When vacancies arise we look at aligning what we do with the cluster structure of the Trust. There have been positive changes in finance staff that have added capacity and expertise to the Trust's constituent schools.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bourne Education Trust for the year ended 31 August 2019 and up to the date of approval of the trustees' annual report and financial statements.

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

The board has implemented a Board Assurance Framework approach to risk. This ensures focus on the key challenges to achievement of the Trust's strategic objectives and provides a live and continuously updated risk register and action plan. This is reviewed by the Board and by the Finance & Audit Committee on behalf of the board who review the Trust's exposure and the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Bourne Education Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the trustees' annual report and financial statements. This process is regularly reviewed by the board of trustees resulting in an agreement to change the style of reporting risk to a board assurance framework approach.

#### **The Risk and Control Framework**

Bourne Education Trust's system of internal financial control is based on a framework of regular management

## BOURNE EDUCATION TRUST

### GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance through agreed KPIs;
- clearly defined purchasing (asset purchase or capital investment) guidelines, delegation of authority and segregation of duties; and
- identification and management of risks by the audit committee through the risk register.

The board of trustees considered the need for a specific internal audit function and appointed Buzzacott LLP, 130 Wood Street, London, EC2V 6DL as internal auditor with effect from 1 September 2018.

The internal auditor's role involved carrying out short or no-notice reviews of core financial systems and controls; and bespoke reviews on Governance, MAT Scalability and Procurement.

For the year ended 31 August 2019, the board of trustees continued with an in house approach. In particular the checks carried out in the current period include an audit of Executive Pay and Non Purchase Order Invoices.

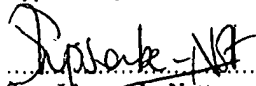
#### Review of Effectiveness

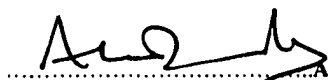
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2019, this review has been informed by:

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

The Accounting Officer has been advised of the implications of their review of the system of internal control by the Finance & Audit Committee and plans to address weaknesses and ensure continuous improvement of the system are in place.

Approved by order of the members of the board of trustees on 6 December 2019 and signed on its behalf by:

  
..... Chair of Trustees  
Sara Lipscombe Nott

  
..... Accounting Officer  
Alex Russell

## **BOURNE EDUCATION TRUST**

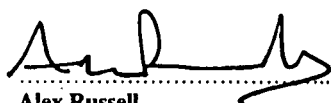
### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019**

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As Accounting Officer of Bourne Education Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust 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 2018.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Accounting Officer

Alex Russell

6 December 2019

## **BOURNE EDUCATION TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

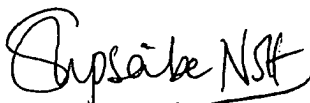
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2019 and signed on its behalf by:

  
**Sara Lipscombe Nott**  
Chair of Trustees



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BOURNE EDUCATION TRUST  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Opinion**

We have audited the financial statements of Bourne Education Trust for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 as issued by the Education and Skills Funding Agency.

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

- give a true and fair view of the state of the charitable group and company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- 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.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BOURNE EDUCATION TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Other information**

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

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

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

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BOURNE EDUCATION TRUST  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

**Use of our report**

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



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

Chartered Accountants  
Statutory Auditor

Quadrant House  
4 Thomas More Square  
London E1W 1YW

9/12/2019

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
THE BOARD OF TRUSTEES OF BOURNE EDUCATION TRUST AND THE EDUCATING AND  
SKILLS FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 16 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourne Education Trust during the year to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Bourne Education Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2019 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
THE BOARD OF TRUSTEES OF BOURNE EDUCATION TRUST AND THE EDUCATING  
FUNDING AGENCY (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The work undertaken to draw our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that, in all material respect, the expenditure disbursed and income received during the year to 31 August 2019, has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

**UHY Hacker Young  
Reporting Accountant**

Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

9/12/19

**BOURNE EDUCATION TRUST**

**STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2019  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS & LOSSES)**

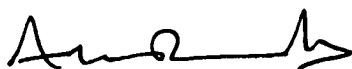
			Restricted funds			
	Notes	Unrestricted fund	General funds	Fixed asset fund	2019 Total	2018 Total
		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	2	22,734	972,843	1,557,632	2,553,209	2,144,907
Amounts inherited on transfer / conversion from L.A	2/32	1,099,233	(1,847,194)	27,653,984	26,906,023	51,469,570
<b>Charitable activities</b>						
Funding for the Academy Trust's educational operations	3	-	32,678,374	-	32,678,374	26,909,383
Other trading activities	4	1,619,776	1,176,699	-	2,796,475	2,640,065
Investments	5	26,909	654	-	27,564	7,305
<b>Total income</b>		<u>2,768,652</u>	<u>32,981,375</u>	<u>29,211,617</u>	<u>64,961,645</u>	<u>83,171,230</u>
<b>Expenditure on:</b>						
Raising funds	6	422,757	1,000,149	-	1,422,906	1,723,914
<b>Charitable activities:</b>						
Educational operations	6/7	1,113,489	32,808,334	2,762,821	36,684,643	30,520,929
<b>Total resources expended</b>		<u>1,536,246</u>	<u>33,808,483</u>	<u>2,762,821</u>	<u>38,107,549</u>	<u>32,244,843</u>
<b>Net incoming/(outgoing) resources before transfers</b>		<u>1,232,406</u>	<u>(827,106)</u>	<u>26,448,796</u>	<u>26,854,095</u>	<u>50,926,387</u>
<b>Gross transfers between funds</b>		<u>1,104</u>	<u>(1,256,530)</u>	<u>1,255,426</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) for the year</b>		<u>1,233,509</u>	<u>(2,083,636)</u>	<u>27,704,221</u>	<u>26,854,095</u>	<u>50,926,387</u>
<b>Other recognised gains and losses</b>	29					
Actuarial gains on defined benefit pension schemes		-	(4,600,000)	-	(4,600,000)	2,169,000
<b>Net movement in funds</b>		<u>1,233,509</u>	<u>(6,683,636)</u>	<u>27,704,221</u>	<u>22,254,095</u>	<u>53,095,387</u>
<b>Total funds brought forward at 31 August 2018</b>		<u>3,907,011</u>	<u>(5,720,795)</u>	<u>125,074,022</u>	<u>123,260,238</u>	<u>70,164,851</u>
<b>Total funds carried forward at 31 August 2019</b>		<u><u>5,140,520</u></u>	<u><u>(12,404,431)</u></u>	<u><u>152,778,243</u></u>	<u><u>145,514,333</u></u>	<u><u>123,260,238</u></u>

**BOURNE EDUCATION TRUST**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	151,468,041	124,379,850
		<u>151,468,041</u>	<u>124,379,850</u>
<b>Current assets</b>			
Debtors	15	1,969,601	2,033,627
Investments	13	870,000	2,300,000
Cash in hand and at bank	26	13,029,476	7,910,066
		<u>15,869,077</u>	<u>12,243,693</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	(3,512,785)	(3,071,305)
<b>Net current assets</b>		<u>12,356,292</u>	<u>9,172,388</u>
<b>Net assets excluding pension liability</b>		<u>163,824,333</u>	<u>133,552,238</u>
Pension scheme liability	29	(18,310,000)	(10,292,000)
<b>Net assets including pension liability</b>		<u>145,514,333</u>	<u>123,260,238</u>
<b>The funds of the Academy Trust:</b>			
<b>Restricted funds</b>			
Fixed asset funds	17	152,778,244	125,074,022
Restricted income funds	17	5,905,568	4,571,205
Pension reserve	17	(18,310,000)	(10,292,000)
<b>Total restricted funds</b>		<u>140,373,812</u>	<u>119,353,227</u>
<b>Unrestricted income fund</b>			
General fund	17	5,140,521	3,907,011
<b>Total funds</b>		<u>145,514,333</u>	<u>123,260,238</u>

The financial statements on pages 29 to 65 were approved by the Board of Trustees, and authorised for issue on 6 December 2019 and are signed on their behalf by:



**Alex Russell**  
Accounting Officer  
Company registration no: 07768726

**BOURNE EDUCATION TRUST**

**ACADEMY BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	151,468,041	124,379,850
Investment in subsidiary undertakings	13	2	2
		<u>151,468,043</u>	<u>124,379,852</u>
<b>Current assets</b>			
Debtors	15	2,092,295	2,114,428
Investments	13	870,000	2,300,000
Cash in hand and at bank		12,754,924	7,797,300
		<u>15,717,219</u>	<u>12,211,728</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	(3,360,929)	(3,039,342)
<b>Net current assets</b>		<u>12,356,290</u>	<u>9,172,386</u>
<b>Net assets excluding pension liability</b>		<u>163,824,333</u>	<u>133,522,238</u>
Pension scheme liability	29	(18,310,000)	(10,292,000)
<b>Net assets including pension liability</b>		<u>145,514,333</u>	<u>123,260,238</u>
<b>The funds of the academy:</b>			
<b>Restricted income funds</b>			
Fixed asset funds	17	152,778,244	125,074,022
Restricted income funds	17	5,905,568	4,571,205
Pension reserve	17	(18,310,000)	(10,292,000)
<b>Total restricted funds</b>		<u>140,373,812</u>	<u>119,353,227</u>
<b>Unrestricted income fund</b>			
General fund	17	5,140,521	3,907,011
<b>Total funds</b>		<u>145,514,333</u>	<u>123,260,238</u>

The financial statements on pages 29 to 65 were approved by the Board of Trustees, and authorised for issue on 6 December 2019 and are signed on their behalf by:



**Alex Russell**  
Accounting Officer  
Company registration no: 07768726



**BOURNE EDUCATION TRUST**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	4,502,840	3,411,545
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>	25	589,006	(3,674,140)
		<hr/>	<hr/>
		5,091,847	(262,595)
<b>Cash flows from financing activities</b>	24	27,564	7,305
<b>Change in cash and cash equivalents in the reporting period</b>		5,119,410	(255,290)
Cash and cash equivalents at 1 September 2018		7,910,066	8,165,356
		<hr/>	<hr/>
<b>Cash and Cash equivalents at 31 August 2019</b>	26	<u>13,029,476</u>	<u>7,910,066</u>

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies**

##### **Company Information**

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

##### **Basis of preparation**

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

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

##### **Basis of consolidation**

These financial statements consolidate on a line-by-line basis the results of the Academy Trust and its wholly owned subsidiaries, Bourne Education Trust Enterprises Limited and Matthew Arnold Enterprises Limited. A separate statement of financial activities (incorporating an income and expenditure account) for the Company itself is not presented because the Company has taken advantage of the exemptions afforded by section 230 of the Companies Act 2006 and paragraph 397 of the Charity SORP 2015. The Academy Trust's net income for the year was £22,254,095.

##### **Going concern**

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

##### **Income**

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

##### **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditor as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies (continued)**

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

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

#### ***Donations***

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

#### ***Other income***

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

#### ***Donated goods, services and gifts in kind***

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

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

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

#### ***Expenditure***

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

#### ***Expenditure on raising funds***

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

#### ***Charitable activities***

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

All resources expended are inclusive of irrecoverable VAT.

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies (continued)**

##### **Tangible fixed assets**

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

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

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

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

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

##### **Impairment of fixed assets**

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

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

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

##### **Cash and cash equivalents**

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

##### **Financial instruments**

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies (continued)**

##### **Financial instruments (continued)**

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

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

##### ***Basic financial assets***

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

##### ***Impairment of financial assets***

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

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

##### ***Derecognition of financial assets***

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

##### ***Classification of financial liabilities***

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

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

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

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies (continued)**

##### ***Derecognition of financial liabilities***

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

##### **Provisions**

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

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

##### **Leased assets**

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

##### **Investments**

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

The Trust also includes as investments on the Balance Sheet cash deposits with a maturity of more than three months.

##### **Taxation**

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

##### **Employee benefits**

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

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

##### **Pension benefits**

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies (continued)**

##### **Pension benefits (continued)**

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

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

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

##### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, the Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

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

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Statement of accounting policies (continued)**

##### Pension Liability

###### **Critical assumptions for LGPS**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

###### **(1) The "McCloud/Sargeant judgement"**

This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the Academy Trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by 1.5% of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in 29, of £121,000

###### **(2) Guaranteed Minimum Pension (GMP)**

GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

###### **(3) Discount rates**

There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive Balance Sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

###### **(4) Mortality assumptions**

Details of the changes in mortality assumptions are shown in note 29. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive Balance Sheet position than if the mortality rates at the start of the period



## BOURNE EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

#### 1 Statement of accounting policies (continued)

had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

##### Depreciation

The trustees estimate the useful economic lives and residual values of Buildings, Building Improvements, Computer Equipment, Furniture and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Financial Activities and the Balance Sheet.

The trustees have reviewed the carrying values of the Trust's Buildings, Building Improvements and Furniture and Equipment.

##### *Critical areas of judgement*

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

2 Donations and capital grants	Unrestricted fund £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Funds inherited on conversion (see note 32)</b>				
Fixed assets	-	27,653,984	27,653,984	53,065,689
Local government pension scheme deficit	-	(1,870,000)	(1,870,000)	(2,639,000)
Net current assets	1,099,233	22,806	1,122,039	1,042,881
	<hr/>	<hr/>	<hr/>	<hr/>
	1,099,233	25,806,791	26,906,023	51,469,570
 Capital grants	 -	 2,364,482	 2,364,482	 1,961,651
 Other donations	 22,734	 165,994	 188,727	 183,256
	<hr/>	<hr/>	<hr/>	<hr/>
	22,734	2,530,475	2,553,209	2,144,907
	<hr/>	<hr/>	<hr/>	<hr/>
	1,121,966	28,337,266	29,459,232	53,614,477
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**3 Funding for the Academy Trust's educational operations**

	Unrestricted fund £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
- General Annual Grant (GAG)	-	28,262,568	28,262,568	23,151,064
- Other DfE / ESFA grants	-	1,636,441	1,636,441	1,320,417
	-	29,899,009	29,899,009	24,471,481
<b>Other Government grants</b>				
- Local authority grants	-	1,897,475	1,897,475	2,264,504
- Other government grants	-	881,890	881,890	173,398
	-	32,678,374	32,678,374	2,437,902
<b>Total funding</b>	-	32,678,374	32,678,374	26,909,383
	=====	=====	=====	=====

**4 Other trading activities**

	Unrestricted fund £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	305,275	423,337	728,612	622,748
Catering income	956	171,476	172,432	199,807
Trip income	606,427	-	606,427	414,230
Other income	707,118	581,886	1,289,004	1,403,280
	1,619,776	1,176,699	2,796,475	2,640,065
	=====	=====	=====	=====

**5 Investment income**

	Unrestricted fund £	Restricted funds £	Total 2019 £	Total 2018 £
Bank interest receivable	26,909	654	27,564	7,305
	26,909	654	27,564	7,305
	=====	=====	=====	=====

# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure	Staff costs	Non pay expenditure		Total	Total
	£ (note 8)	Premises £	Other costs £	2019 £	2018 £
Academy's educational operations (note 7)					
- direct costs	21,809,649	-	1,818,347	23,627,996	20,064,390
- allocated support costs	5,026,182	2,349,288	5,681,177	13,056,647	10,456,539
	<u>26,835,831</u>	<u>2,349,288</u>	<u>7,499,524</u>	<u>36,684,643</u>	<u>30,520,929</u>
Expenditure on raising funds	160,264	53,838	1,208,804	1,422,906	1,723,914
	<u>26,996,095</u>	<u>2,403,126</u>	<u>8,708,328</u>	<u>38,107,549</u>	<u>32,244,843</u>
Net income / expenditure for the year includes:				2019	2018
				£	£
Fees paid to auditor for:					
- audit services				46,000	41,300
- other services				9,800	4,560
Depreciation of tangible fixed assets				2,762,821	2,493,936
				<u>2,818,621</u>	<u>2,539,796</u>
7 Charitable activities				Total	Total
				2019	2018
				£	£
Direct costs – educational operations				23,627,996	20,064,390
Support costs – educational operations				13,056,647	10,456,539
				<u>36,684,643</u>	<u>30,520,929</u>
Analysis of support costs				Total	Total
Support staff costs				2019	2018
Depreciation (fixed asset restricted fund)				£	£
Technology costs				5,026,182	4,426,465
Premises costs				2,762,821	2,493,936
Other support costs				445,406	314,931
Governance costs				2,349,288	2,183,414
				2,417,150	992,233
				55,800	45,560
				<u>13,056,647</u>	<u>10,456,539</u>
Total support costs				<u>13,056,647</u>	<u>10,456,539</u>

# **BOURNE EDUCATION TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

<b>8 Staff costs</b>			
Staff costs during the year were:		<b>2019</b>	<b>2018</b>
		<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>
Wages and salaries	20,064,677	16,371,229	
Social security costs	1,828,430	1,597,718	
Pension costs	4,507,187	3,796,868	
	<u>26,400,294</u>	<u>21,765,815</u>	
Supply teacher costs	580,868	510,578	
Staff restructuring costs	13,311	74,180	
	<u>26,994,473</u>	<u>22,350,573</u>	
Staff restructuring costs comprise:			
Severance payments	13,311	74,180	
	<u>13,311</u>	<u>74,180</u>	
	<u>13,311</u>	<u>74,180</u>	

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,111 (2018: £28,190). There were no voluntary redundancies during the year ended 31 August 2019 (2018: 2).

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Teachers	333	290
Administration and support	524	492
Management	32	59
	<u>889</u>	<u>841</u>
	<u>889</u>	<u>841</u>

## BOURNE EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

#### 8 Staff costs (continued)

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

	2019 Number	2018 Number
£ 60,001 - £ 70,000	10	4
£ 70,001 - £ 80,000	4	3
£ 80,001 - £ 90,000	2	-
£ 90,001 - £100,000	1	1
£110,001 - £120,000	2	1
£170,001 - £180,000	1	1
	=====	=====

19 of the above employees participated in the Teachers' Pension Scheme (2018:10). During the year ended 31 August 2019, pension contributions for these staff amounted to £239,096 (2018: £153,779).

1 of the above employees participates in the Local Government Pension Scheme (2018: 1). During the year ended 31 August 2019, pension contributions for this employee amounted to £19,460 (2018: £24,967).

#### 9. Central services

The Academy Trust has provided £1,034,590 (2018: £570,409) of educational support central services to its academy schools during the year. The Academy Trust charges for these services on the basis of the following methodologies:

- Insurance, personnel, training and staffing costs recharged on an actual cost basis;
- Headteacher support charged on the basis of an agreed daily rate; and
- Contributions from schools to central costs charged at 2.7% of the school budget share.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Auriol Junior School	48,987	31,857
Broadmere Primary School	12,385	-
Brookwood Primary School	28,398	18,402
Chertsey Primary School	64,040	18,609
Epsom and Ewell High School	165,142	109,650
Everest Community Academy	103,276	69,639
Jubilee High School	140,201	92,472
Matthew Arnold School	143,688	102,396
Meadow Primary School	80,577	9,129
New Monument Primary School	9,746	-
Pycroft Grange Primary School	40,454	24,639
Sayes Court Primary School	36,874	24,015
Sythwood Primary School	95,421	60,075
West Ewell Primary School	56,699	9,526
Woodmansterne Primary School	8,702	-
	1,034,590	570,409
	=====	=====

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **10. Key management personnel**

The key management personnel of the Trust comprise the trustees and key members of the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,274,239 (2018: £1,184,095).

#### **11. Trustees' remuneration and expenses**

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

Alex Russell (Headteacher, Accounting Officer and Trustee)

Remuneration £175,001 - £180,000 (2018: £175,001-£180,000)

Employer pension contributions £25,001- £30,000 (2018: £20,001-£25,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £1,284 were reimbursed to trustees (2018: £1,514).

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 (2018: £2,000,000) on any one claim and the cost for the year ended 31 August 2019 was included within the premium for commercial combined policy and is not separately identifiable.

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

<b>12. Tangible assets – Group and academy</b>	<b>Freehold land and buildings £</b>	<b>Long leasehold and buildings £</b>	<b>Leasehold building improvements £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2018	67,755,585	55,870,767	5,567,854	2,404,574	131,598,780
Inherited upon conversion/transfer	14,073,000	12,469,000	984,814	127,170	27,653,984
Additions	234,757	-	1,321,252	641,019	2,197,028
	<u>82,063,342</u>	<u>68,339,767</u>	<u>7,873,920</u>	<u>3,172,763</u>	<u>161,449,792</u>
<b>Depreciation</b>					
At 1 September 2018	4,847,166	1,003,651	354,191	1,013,923	7,218,930
Charge for the year	1,486,788	344,484	415,144	516,406	2,762,821
	<u>6,333,954</u>	<u>1,348,135</u>	<u>769,335</u>	<u>1,530,329</u>	<u>9,981,751</u>
<b>Net book value</b>					
At 31 August 2019	<u>75,729,388</u>	<u>66,991,632</u>	<u>7,104,585</u>	<u>1,642,434</u>	<u>151,468,041</u>
At 31 August 2018	<u>62,908,419</u>	<u>54,867,116</u>	<u>5,213,663</u>	<u>1,390,651</u>	<u>124,379,850</u>

# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Investments

	Group 2019	Group 2018	Academy 2019	Academy 2018
	£	£	£	£
Shares in subsidiary undertaking	-	-	2	2
Cash invested in deposit accounts	870,000	2,300,000	870,000	2,300,000
	=====	=====	=====	=====

#### Holdings of more than 20%

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

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

The results of the subsidiary for the year ended 31 August 2019 were as follows:

	BEE £	MAE £	Total £
Turnover	210,899	314,433	525,332
Operating expenses	(135,783)	(278,009)	(413,792)
Gift aid payment made to the Academy Trust	(75,116)	(36,424)	(111,540)
	=====	=====	=====
Net profit before taxation	-	-	-
Taxation charge	-	-	-
	=====	=====	=====
Retained profit for the year	-	-	-
	=====	=====	=====

The subsidiary undertakings carry out the trading activities of the Trust. Bourne Education Trust Enterprises Limited carries out training of teachers, Matthew Arnold Enterprises Limited carries out the letting and operations of sports facilities. At 31 August 2019 the aggregate amount of net assets and reserves of the subsidiaries were as follows:

	BEE £	MAE £	Total £
Current assets	217,098	86,296	303,394
Current liabilities	(217,097)	(86,295)	(303,392)
	=====	=====	=====
	1	1	2
	=====	=====	=====
Represented by:			
Share capital	1	1	2
	=====	=====	=====



# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

14 Financial instruments	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measure at amortised cost	13,123,018	8,017,859	12,979,659	7,909,501
	=====	=====	=====	=====
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	1,320,995	1,180,087	1,308,727	1,160,825
	=====	=====	=====	=====

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

15 Debtors	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Trade debtors	93,542	107,793	67,867	97,415
VAT recoverable	421,529	327,299	439,284	331,036
Amounts due from subsidiary	-	-	156,868	14,785
Other debtors	70	251	70	251
Prepayments and accrued income	1,454,460	1,598,284	1,428,206	1,670,941
	=====	=====	=====	=====
	1,969,601	2,033,627	2,092,295	2,114,428
	=====	=====	=====	=====
16 Creditors: amounts falling due within one year	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Trade creditors	1,320,995	1,180,088	1,308,727	1,160,825
Other taxation and social security	179,792	425,059	179,245	154,648
Accruals and deferred income (see below)	803,916	391,188	802,139	659,494
Other creditors	1,208,082	1,074,970	1,070,818	1,064,375
	=====	=====	=====	=====
	3,512,785	3,071,305	3,360,929	3,039,342
	=====	=====	=====	=====
Deferred income	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Deferred income at 1 September	341,478	213,562	352,073	204,232
Income deferred in the year	372,445	341,478	364,455	352,073
Amounts released from previous years	(341,478)	(213,562)	(352,073)	(204,232)
	=====	=====	=====	=====
Deferred income at 31 August 2019 included in accruals and deferred income above	372,445	341,478	364,455	352,073
	=====	=====	=====	=====

At the balance sheet date the Trust was holding funds of £372,445 (2018: £341,478) received in advance.

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

<b>17 Funds – Group</b>	<b>Balance at 31 August 2018 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses &amp; transfers £</b>	<b>Balance at 31 August 2019 £</b>
<b>Restricted</b>					
General Annual Grant (GAG)	3,780,908	29,618,250	(26,862,598)	(1,556,527)	4,980,033
Capital grant funding	268,461	418,608	(89,436)	(179,879)	417,754
Other DFE/ESFA grants	208,550	197,599	(211,848)	(172,597)	21,704
Local authority grants	(952)	1,899,084	(2,453,287)	555,834	679
Pupil premium and learning support unit fund	72,101	1,611,441	(1,705,681)	96,638	74,499
Children's centre fund	93,841	770,261	(670,440)	-	193,662
Everest Community Centre	148,296	336,134	(267,193)	-	217,237
LGPS deficit fund	(10,292,000)	(1,870,000)	(1,548,000)	(4,600,000)	(18,310,000)
	<u>(5,720,795)</u>	<u>32,981,376</u>	<u>(33,808,483)</u>	<u>(5,856,530)</u>	<u>(12,404,432)</u>
<b>Restricted fixed asset funds</b>					
Inherited fixed asset fund	116,835,118	27,653,984	(2,022,134)	(46,047)	142,420,922
General annual grant fixed assets fund	2,966,087	-	(216,074)	668,192	3,418,205
Capital grant fixed assets fund	5,272,817	1,557,632	(524,613)	633,281	6,939,117
	<u>125,074,022</u>	<u>29,211,617</u>	<u>(2,762,821)</u>	<u>1,255,426</u>	<u>152,788,244</u>
<b>Total restricted</b>	<u>119,353,227</u>	<u>62,192,993</u>	<u>(36,571,303)</u>	<u>(4,601,105)</u>	<u>140,373,812</u>
<b>Unrestricted funds</b>	<u>3,907,011</u>	<u>2,768,652</u>	<u>(1,536,246)</u>	<u>1,104</u>	<u>5,140,521</u>
	<u>3,907,011</u>	<u>2,768,652</u>	<u>(1,536,246)</u>	<u>1,104</u>	<u>5,140,521</u>
	<u>123,260,238</u>	<u>64,961,645</u>	<u>(38,107,549)</u>	<u>(4,600,001)</u>	<u>145,514,333</u>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds – Group (continued)**

Comparative information for the prior year is as follows:

	Balance at 31 August 2017 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2018 £
<b>Restricted</b>					
General Annual Grant (GAG)	2,916,337	23,423,140	(21,829,781)	(728,788)	3,780,908
Capital grant funding	859,980	175,921	(24,260)	(743,180)	268,461
Other DFE/ESFA grants	305,723	892,430	(278,478)	(711,125)	208,550
Local authority grants	53,123	2,185,115	(2,522,997)	283,807	(952)
Pupil premium and learning support unit fund	72,610	1,399,067	(1,429,269)	29,693	72,101
Children's centre fund	15,996	762,243	(684,398)	-	93,841
Everest Community Centre	-	433,865	(235,430)	(50,139)	148,296
LGPS deficit fund	(8,411,000)	(2,639,000)	(1,411,000)	2,169,000	(10,292,000)
	<u>(4,187,231)</u>	<u>26,632,781</u>	<u>(28,415,613)</u>	<u>249,268</u>	<u>(5,720,795)</u>
<b>Restricted fixed asset funds</b>					
Inherited fixed asset fund	65,826,427	53,065,689	(2,056,998)	-	116,835,118
General annual grant fixed assets fund	2,657,826	-	(145,322)	453,583	2,966,087
Capital grant fixed assets fund	3,021,116	1,077,801	(291,616)	1,465,516	5,272,817
	<u>71,505,369</u>	<u>54,143,490</u>	<u>(2,493,936)</u>	<u>1,919,099</u>	<u>125,074,022</u>
<b>Total restricted</b>	<u>67,318,138</u>	<u>80,776,271</u>	<u>(30,909,549)</u>	<u>2,168,367</u>	<u>119,353,227</u>
<b>Unrestricted funds</b>	<u>2,846,713</u>	<u>2,394,959</u>	<u>(1,335,294)</u>	<u>633</u>	<u>3,907,011</u>
	<u>2,846,713</u>	<u>2,394,959</u>	<u>(1,335,294)</u>	<u>633</u>	<u>3,907,011</u>
	<u>70,164,851</u>	<u>83,171,230</u>	<u>(32,244,843)</u>	<u>2,169,000</u>	<u>123,260,238</u>

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **17 Funds – Group (continued)**

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

##### **General Annual Grant**

The General Annual Grant must be used for the normal running costs of the Trust including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

##### **Other DfE/ESFA and government grants**

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

##### **Fixed asset fund**

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

##### **Pension reserve**

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

##### **Transfer between funds**

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

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

<b>18 Funds – Academy Trust</b>	<b>Balance at 31 August 2018 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses &amp; transfers £</b>	<b>Balance at 31 August 2019 £</b>
<b>Restricted</b>					
General Annual Grant (GAG)	3,780,908	29,618,250	(26,862,598)	(1,556,527)	4,980,033
Capital grant funding	268,461	418,608	(89,436)	(179,879)	417,754
Other DFE/ESFA grants	208,550	197,599	(211,848)	(172,597)	21,704
Local authority grants	(952)	1,899,084	(2,453,287)	555,834	679
Pupil premium and learning support unit fund	72,101	1,611,441	(1,705,681)	96,638	74,499
Children's centre fund	93,841	770,261	(670,440)	-	193,662
Everest Community Centre	148,296	336,134	(267,193)	-	217,237
LGPS deficit fund	(10,292,000)	(1,870,000)	(1,548,000)	(4,600,000)	(18,310,000)
	<u>(5,720,795)</u>	<u>32,981,376</u>	<u>(33,808,483)</u>	<u>(5,856,530)</u>	<u>(12,404,432)</u>
<b>Restricted fixed asset funds</b>					
Inherited fixed asset fund	116,835,118	27,653,984	(2,022,134)	(46,047)	142,420,922
General annual grant fixed assets fund	2,966,087	-	(216,074)	668,192	3,418,205
Capital grant fixed assets fund	5,272,817	1,557,632	(524,613)	633,281	6,939,117
	<u>125,074,022</u>	<u>29,211,617</u>	<u>(2,762,821)</u>	<u>1,255,426</u>	<u>152,788,244</u>
<b>Total restricted</b>	<b>119,353,227</b>	<b>62,192,993</b>	<b>(36,571,303)</b>	<b>(4,601,105)</b>	<b>140,373,812</b>
<b>Unrestricted funds</b>	<b>3,907,011</b>	<b>2,243,320</b>	<b>(1,010,914)</b>	<b>1,104</b>	<b>5,140,521</b>
	<u>3,907,011</u>	<u>2,243,320</u>	<u>(1,010,914)</u>	<u>1,104</u>	<u>5,140,521</u>
	<u>123,260,238</u>	<u>64,436,313</u>	<u>(37,582,217)</u>	<u>(4,600,001)</u>	<u>145,514,333</u>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**18 Funds – Academy Trust**

Comparative information for the prior year is as follows:

	Balance at 31 August 2017 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2018 £
<b>Restricted</b>					
General Annual Grant (GAG)	2,916,337	23,423,140	(21,829,781)	(728,788)	3,780,908
Capital grant funding	859,980	175,921	(24,260)	(743,180)	268,461
Other DFE/ESFA grants	305,723	892,430	(278,478)	(711,125)	208,550
Local authority grants	53,123	2,185,115	(2,522,997)	283,807	(952)
Pupil premium and learning support unit fund	72,610	1,399,067	(1,429,269)	29,693	72,101
Children's centre fund	15,996	762,243	(684,398)	-	93,841
Everest Community Centre	-	433,865	(235,430)	(50,139)	148,296
LGPS deficit fund	(8,411,000)	(2,639,000)	(1,411,000)	2,169,000	(10,292,000)
	<u>(4,187,231)</u>	<u>26,632,781</u>	<u>(28,415,613)</u>	<u>249,268</u>	<u>(5,720,795)</u>
<b>Restricted fixed asset funds</b>					
Inherited fixed asset fund	65,826,427	53,065,689	(2,056,998)	-	116,835,118
General annual grant fixed assets fund	2,657,826	-	(145,322)	453,583	2,966,087
Capital grant fixed assets fund	3,021,116	1,077,801	(291,616)	1,465,516	5,272,817
	<u>71,505,369</u>	<u>54,143,490</u>	<u>(2,493,936)</u>	<u>1,919,099</u>	<u>125,074,022</u>
<b>Total restricted</b>	<u>67,318,138</u>	<u>80,776,271</u>	<u>(30,909,549)</u>	<u>2,168,367</u>	<u>119,353,227</u>
<b>Unrestricted funds</b>	<u>2,846,713</u>	<u>1,959,978</u>	<u>(900,313)</u>	<u>633</u>	<u>3,907,011</u>
	<u>2,846,713</u>	<u>1,959,978</u>	<u>(900,313)</u>	<u>633</u>	<u>3,907,011</u>
	<u>70,164,851</u>	<u>82,736,249</u>	<u>(31,809,862)</u>	<u>2,169,000</u>	<u>123,260,238</u>

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **18 Funds – Academy Trust (continued)**

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

##### **General Annual Grant**

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

##### **Other DfE/ESFA and government grants**

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

##### **Fixed asset fund**

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

##### **Pension reserve**

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

##### **Transfer between funds**

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

# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds – Academy Trust (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Auriol Junior School	376,277	301,308
Broadmere Primary School	290,092	-
Brookwood Primary School	696,754	238,971
Chertsey Primary School	454,174	161,664
Epsom & Ewell High School	1,648,328	1,584,528
Everest Community Academy*	314,444	169,311
Jubilee High School	705,053	727,514
Matthew Arnold School	2,002,401	2,033,856
Meadow Primary School	909,965	632,072
New Monument Primary School	96,107	-
Pycroft Grange Primary School	436,653	626,255
Sayes Court Primary School	497,723	408,835
Sythwood Primary School	1,146,864	653,283
West Ewell Primary School	686,237	438,424
Woodmansterne Primary School	368,192	-
Central services	416,826	502,195
Total before fixed assets and pension reserve	11,046,089	8,478,216
Restricted fixed asset reserve	152,778,244	125,074,022
Pension reserve	(18,310,000)	(10,292,000)
Total	145,514,333	123,260,238

\*Included within the Everest Community Academy balance is £217,238 relating to Everest Community Centre, funds which cannot be used for the School.

#### Analysis of academies by cost:

	Teaching and Educational Support Staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Auriol Junior School	1,163,718	175,867	287,970	150,808	1,778,363
Broadmere Primary School	275,299	73,508	26,537	78,340	453,683
Brookwood Primary School	604,619	100,264	109,645	166,490	981,018
Chertsey Primary School	697,187	89,385	447,194	276,208	1,509,975
Epsom and Ewell High School	3,645,767	467,171	305,476	922,253	5,340,667
Everest Community Academy	1,827,001	383,135	253,495	744,157	3,207,788
Jubilee High School	2,681,884	431,616	420,636	698,533	4,232,669
Matthew Arnold School	2,584,185	447,161	281,586	878,328	4,191,260
Meadow Primary School	1,546,472	277,709	211,930	341,978	2,378,088
New Monument Primary School	211,427	56,003	25,137	76,252	368,820
Pycroft Grange Primary School	937,348	146,680	213,997	299,070	1,597,094
Sayes Court Primary School	838,341	129,768	145,682	233,399	1,347,189
Sythwood Primary School	2,639,424	255,888	206,245	499,263	3,600,821



# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds – Academy Trust (continued)

West Ewell Primary School	1,507,741	192,236	119,845	358,578	2,178,399
Woodmansterne Primary School	181,108	27,942	79,971	51,787	340,807
Central Services	454,482	380,313	(5,228)	306,295	1,135,862
	<u>21,796,001</u>	<u>3,634,647</u>	<u>3,130,118</u>	<u>6,081,738</u>	<u>34,642,503</u>

### 19 Analysis of net assets between funds – Group

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	-	-	151,468,041	151,468,041	124,379,850
Current assets	5,314,640	9,244,234	1,310,203	15,869,077	12,243,693
Current liabilities	(174,119)	(3,338,666)	-	(3,512,785)	(3,071,305)
Pension scheme liability	-	(18,310,000)	-	(18,310,000)	(10,292,000)
	<u>5,140,521</u>	<u>(12,404,432)</u>	<u>152,778,243</u>	<u>145,514,333</u>	<u>123,260,238</u>

### 20 Analysis of net assets between funds – Academy Trust

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	-	-	151,468,041	151,468,041	124,379,850
Investment in subsidiary	2	-	-	2	2
Current assets	5,140,519	9,266,497	1,310,202	15,717,219	12,211,728
Current liabilities	-	(3,360,929)	-	(3,360,929)	(3,039,342)
Pension scheme liability	-	(18,310,000)	-	(18,310,000)	(10,292,000)
	<u>5,140,521</u>	<u>(12,404,431)</u>	<u>152,778,243</u>	<u>145,514,333</u>	<u>123,260,238</u>

# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Capital commitments

At the Balance Sheet date, the Trust had no capital commitments either authorised and contracted for or authorised but not contracted for was £94,311 (2018: £220,609).

### 22 Financial commitments

At 31 August 2019 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Due within one year	74,408	140,254
Due in two to five years	56,028	112,996
	=====	=====

### 23 Reconciliation of net income to net cash flows from operating activities

	2019 £	2018 £
Net income for the year	22,254,095	53,095,387
Cash transferred upon conversion to Academy Trust status	(1,117,240)	(128,859)
Depreciation	2,762,821	2,493,936
Capital income	(238,795)	(1,002,232)
Interest receivable	(27,564)	(7,305)
Non-cash movement: inherited fixed and net current assets	(27,653,983)	(53,120,900)
Non-cash movement: inherited pension deficit	1,870,000	2,639,000
FRS 102 pension finance cost less contributions payable (note 29)	4,600,000	(2,169,000)
FRS 102 pension finance and staff costs	1,548,000	1,411,000
Decrease/(increase) in debtors	64,026	(1,042,918)
Increase in creditors	441,480	985,719
	=====	=====
Net cash provided by operating activities	4,502,840	3,411,545

### 24 Cash flows from financing activities

	2019 £	2018 £
Interest received	27,564	7,305
	=====	=====
Net cash provided by financing activities	27,564	7,305

# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 25 Cash flows from investing activities

	2019	2018
	£	£
Purchase of tangible fixed assets	(2,197,028)	(2,247,513)
Cash transferred upon conversion/transfer	1,117,240	128,859
Capital funding received from sponsors and others	238,795	1,002,232
Movement in cash from term deposits	1,430,000	(2,300,000)
Net cash generated by/ investing activities	589,006	(3,674,140)
	=====	=====

### 26 Analysis of cash and cash equivalents

	At 31 August 2019	At 31 August 2018
	£	£
Cash in hand and at bank	13,029,476	7,910,066
	13,029,476	7,910,066
	=====	=====

### 27 Contingent liabilities

There are no contingent liabilities at 31 August 2019 (2018: £nil).

### 28 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Trust in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 (2018: £10) for the debts and liabilities contracted before he/she ceases to be a member.

### 29 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are defined-benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year (2018: £Nil).

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **29 Pension and similar obligations (continued)**

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

###### **Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academics, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

###### **The teacher's pension budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

###### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

###### **Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

## BOURNE EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

#### 29 Pension and similar obligations (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### 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 2019 was £1,726,000 (2018: £1,398,000), of which employer's contributions totalled £1,330,000 (2018: £1,071,000) and employees' contributions totalled £396,000 (2018: £327,000). The agreed contribution rates for future years are 24.5% (2018: 24.5%) for employers and between 5.5% and 12.5% (2018: 5.5% and 12.5%) for employees.

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

Principal Actuarial Assumptions:	At 31 August 2019 £	At 31 August 2018 £
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions	2.3%	2.8%
Discount rate for scheme liabilities	1.9%	2.4%

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

Changes in assumption at 31 August 2019	Approximate increase to employer liability	
	%	£
0.5% decrease in discount rate	13	270
1 year increase in member life expectancy	4	83
0.5% increase in salary increase rate	2	53
0.5% increase in the pension increase rate	11	223

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 2019 (years)	At 31 August 2018 (years)
<b>Retiring today</b>		
Males	21.7	22.3
Females	23.8	24.5
<b>Retiring in 20 years</b>		
Males	22.7	24.2
Females	25.2	26.5

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**29 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>Fair value at 31 August 2019</b>	<b>Fair value at 31 August 2018</b>
Equity instruments	14,742,000	11,460,240
Debt instruments	3,480,750	2,705,890
Property	1,433,250	1,114,190
Cash	819,000	636,680
	<hr/>	<hr/>
<b>Total market value of assets</b>	<b>20,475,000</b>	<b>15,917,000</b>
	<hr/> <hr/>	<hr/> <hr/>

**Amounts recognised in the Statement of Financial Activities**

	<b>2019 £</b>	<b>2018 £</b>
Current service cost (net of employee contributions)	(2,172,000)	(1,889,000)
Net interest cost	(310,000)	(266,000)
	<hr/>	<hr/>
<b>Total operating charge</b>	<b>(2,482,000)</b>	<b>(2,155,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2019 £</b>	<b>2018 £</b>
At 1 September	26,209,000	17,880,000
Inherited on conversion	3,822,000	7,148,000
Current service cost	2,568,000	2,216,000
Interest cost	785,000	590,000
Employee contributions	396,000	327,000
Actuarial gain	5,295,000	(1,728,000)
Benefits paid	(290,000)	(224,000)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>38,785,000</b>	<b>26,209,000</b>
	<hr/> <hr/>	<hr/> <hr/>

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

#### **29 Pension and similar obligations (continued)**

##### **Local Government Pension Scheme (continued)**

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

	2019 £	2018 £
At 1 September	15,917,000	9,469,000
Inherited on conversion	1,952,000	4,509,000
Interest income	475,000	324,000
Actuarial gain / (loss)	695,000	441,000
Employer contributions	1,330,000	1,071,000
Employee contributions	396,000	327,000
Benefits paid	(290,000)	(224,000)
	<hr/>	<hr/>
At 31 August	20,475,000	15,917,000
	<hr/> <hr/>	<hr/> <hr/>

#### **30 Related party transactions**

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

During the accounting year the Academy Trust was connected to the following entities:

**Bourne Education Enterprises Limited** - This company was established for the provision of educational support services. Any surplus income generated by this company is donated fully to the Bourne Education Trust for the benefit of the pupils of the school and the local community. There are three directors who control the company, including Peter Deane, Audrey Wade and John Stockley, who are trustees or members of the main Academy Trust. There are up to two vacancies.

**Matthew Arnold Enterprises Limited** - The principal activity of the company is the commercial use of the sports facilities of The Matthew Arnold School. Any surplus income generated by this company is donated fully to the Bourne Education Trust for the benefit of the pupils of the school and the local community. The directors of the company are not trustees of the main Academy Trust, nor are they members of the local governing body.

##### **Income**

For the year ending 31 August 2019, there was a profit before tax of £75,116 generated by Bourne Education Enterprises (2018: £38,678) and £36,424 by Matthew Arnold Enterprises (2018: £32,588), which was gift aided to the Trust.

##### **Expenditure**

Solar energy was procured from Wey Valley Solar Schools Co-operative, a related party to the Trust as it has a director in common with Bourne Education Trust, with a total value of £nil (£1,298) for the services provided.

## **BOURNE EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **30 Related party transactions (continued)**

Costs of £nil (2018: £5,893) were incurred for routine maintenance services provided by Design Build and Maintenance Services Ltd, a related party to the Trust by virtue of the relationship between the director of the company and one of the governors at Auriol Junior School.

Both transactions were undertaken on the basis that they provided the best value for money for the Trust compared with alternative suppliers.

As at 31 August 2019, there was a balance owing from Bourne Education Trust Enterprises of £128,659 (2018: £14,785) to Bourne Education Trust. Matthew Arnold Enterprises owed £5,123 at the year-end (2018: £nil).

#### **31 Events after the end of the reporting period**

The DfE has approved the sale of land at Epsom and Ewell High School for £25m. The sale is subject to planning permission being received from the local authority. The proceeds of this transaction will be invested in sports and education facilities at schools across the Trust.

On 1 December 2019, Teddington School is to join Bourne Education Trust and as such on this date, the assets will be donated to the Trust and brought into the financial statements.

Additionally to the three schools which transferred into the Trust during the year, Chertsey Primary School opened on 1 September 2017 and joined the Trust at this date.

The land and buildings occupied by the school are under a Licence to Occupy from the local council, who retain control of these assets, and as such these have not been recognised as assets in these financial statements. However improvements made to these assets, funded by ESFA capital grants, have been recognised.

A new building for this school was under construction and was being managed by the ESFA. On completion as at 1 September 2019, this asset will be donated to the school and brought into the financial statements at that date.

#### **32 Transfer of Academy into Trust/on conversion from local authority**

On 1 July 2019, Woodmansterne Primary School, under the Academics Act 2010 all the operations, assets and liabilities, were transferred into the Academy Trust for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings, with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities:



# BOURNE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 32 Transfer of Academy into Trust/on conversion from local authority (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
<b>Incoming resources from generated funds</b>				
Long leasehold land and buildings	-	-	5,801,402	5,801,402
Cash at bank and in hand	328,014	18,007	-	346,021
LGPS pension liability	-	(342,000)	-	(324,000)
	<u>328,014</u>	<u>(323,993)</u>	<u>5,801,402</u>	<u>5,805,423</u>
<b>Net assets</b>	<u>328,014</u>	<u>(323,993)</u>	<u>5,801,402</u>	<u>5,805,423</u>

On 1 June 2019, Broadmere Primary School and New Monument Primary School transferred into the Trust for £nil consideration.

The conversions have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities:

#### Broadmere Primary School

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
<b>Incoming resources from generated funds</b>				
Long leasehold land and buildings	-	-	5,801,402	5,801,402
Cash at bank and in hand	669,233	-	-	699,233
LGPS pension liability	-	(871,000)	-	(871,000)
	<u>669,233</u>	<u>(871,000)</u>	<u>11,321,621</u>	<u>11,119,854</u>
<b>Net assets</b>	<u>669,233</u>	<u>(871,000)</u>	<u>11,321,621</u>	<u>11,119,854</u>

**BOURNE EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**32 Transfer of Academy into Trust/on conversion from local authority (continued)**

**New Monument Primary School**

	<b>Restricted Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Total fixed asset funds £</b>	<b>Total funds £</b>
<b>Incoming resources from generated funds</b>				
Long leasehold land and buildings	-	-	10,530,961	10,530,961
Cash at bank and in hand	101,986	-	-	101,986
LGPS pension liability	-	(657,000)	-	(657,000)
	<u>101,986</u>	<u>(657,000)</u>	<u>10,530,961</u>	<u>9,975,947</u>
<b>Net assets</b>	<u><u>101,986</u></u>	<u><u>(657,000)</u></u>	<u><u>10,530,961</u></u>	<u><u>9,975,947</u></u>