

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**CONTENTS**

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	Page
<b>Reference and administrative details</b>	1 - 2
<b>Governors' report</b>	3 - 9
<b>Governance statement</b>	10 - 13
<b>Statement on regularity, propriety and compliance</b>	14
<b>Statement of Governors' responsibilities</b>	15
<b>Independent auditor's report on the financial statements</b>	16 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities incorporating income and expenditure account</b>	21
<b>Balance sheet</b>	22
<b>Statement of cash flows</b>	23
<b>Notes to the financial statements</b>	24 - 45

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

All Governors, as detailed below

**Governors**

Neil Spurrier, Chair  
Susan Tovell, Vice Chair  
Allan Foulds (resigned 31 August 2017)  
Ian Batty (resigned 11 October 2016)  
Keith Chamberlain (resigned 31 December 2016)  
Stephen Reis  
Stephen Rudge  
Richard Knight  
Angie Langley (resigned 31 December 2016)  
Tim Mansfield (resigned 14 July 2016)  
Antonia Noble  
Matthew Gray, Staff Governor (resigned 28 April 2017)  
Scott Harvey  
Nicola Hayward  
Krissy Scott  
Katherine Safe  
Alan Hastings, Staff Governor  
Andrew Ponting (appointed 1 June 2017)  
Gareth Burton, Head Teacher (appointed 1 September 2017)  
Lucinda Hemsley (appointed 1 September 2017)  
Kenneth Goodwin (appointed 1 January 2017)  
Paul Edward John Baker (appointed 31 October 2016)  
Stuart Lee Hutton (appointed 1 January 2017)  
Nicola Jane Cox (appointed 1 January 2017)  
Julie Dawn Bodilly, Staff Governor (appointed 7 December 2016)  
Samantha Candida Watson (appointed 31 October 2016)

**Company registered number**

07524244

**Company name**

Cheltenham Bournside School and Sixth Form Centre

**Principal and registered office**

Warden Hill Road  
Cheltenham  
Gloucestershire  
GL51 3EF

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Company Secretary**

Alan Hastings

**Chief executive officer**

Allan Foulds (resigned 31 August 2017)

Gareth Burton (appointed 1 September 2017)

**Senior Staff Members (Senior Leadership Team)**

Allan Foulds, Headteacher (resigned 31 August 2017)

Alan Hastings, Business Manager

Gareth Burton, Associate Headteacher (appointed Headteacher on 1 September 2017)

Jules Godfrey, Deputy Headteacher

Beth Warren, Assistant Headteacher

Sally Lees, Assistant Headteacher

Karen Hanley, Deputy Headteacher

David Hillyard, Assistant Headteacher

Michael Stratford, Associate Assistant Headteacher

**Independent auditor**

Crowe Clark Whitehill LLP

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

**Bankers**

Yorkshire Bank

Ground Floor, Epsilon House

The Square, Gloucester Business Park West

Brockworth

Gloucestershire

GL3 4AD

**Solicitors**

Harrison Clark Rickerbys Limited

Ellenborough House

Wellington Street

Cheltenham

Gloucestershire

GL50 1YD

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

### **Objectives and Activities**

#### **a. Objects and aims**

The object of the Academy is to advance in the interest of the public benefit and education in the United Kingdom without prejudice by establishing, maintaining, managing and developing an Academy offering a broad and balanced curriculum.

#### **b. Objectives, strategies and activities**

Cheltenham Bournside School and Sixth Form Centre is a mixed Academy providing education for approximately 1,700 pupils aged 11-19 years. We are intensely proud of our vibrant and forward looking school community. Our core belief is that every student develops the knowledge, skills and self-confidence to become the best they can be. This underpins all we do and is achieved:

- Through a superb standard of education, resulting in the school being a vibrant, exciting and memorable place to learn;
- By offering outstanding resources, which ensure that education at the school is brought alive and that our students are supported and challenged appropriately; and
- By understanding each individual and ensuring that they are safe, happy and well-supported.

Every person who belongs to our Academy is unique. We strive to secure the highest standards of achievement for all, based on a secure and deep understanding of each individual and his or her capacity to excel. The pursuit of excellence across the Academy's activity is demonstrated by a constant drive to improve or maintain high levels of achievement and personal development for all.

We support and value a well ordered and caring environment. Everything we do is underpinned by tolerance, honesty, co-operation and mutual respect. We want our students to feel that this is their Academy and that it exists to serve their best interests.

Our students and staff are clear that the Academy is an exciting and rewarding place in which to learn and teach. Students and staff are supported well, challenged appropriately and know what is expected of them.

#### **c. Activities for achieving objectives**

Outlined below are the principles that are applied at Cheltenham Bournside School and Sixth Form Centre in order to exceed learning and teaching expectations:

1. We are intent on all pupils and staff enjoying school life and endeavour to recognise and reward talent and excellence;
2. To ensure each child has the same access to high quality learning in terms of resourcing, care and tuition;
3. To instil values that help sustain a high quality of teaching/learning environment and prepare pupils for the future, i.e. punctuality, tolerance, honesty, reliability, empathy, courage, co-operation and mutual respect for others and their property;

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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4. To provide value for money and seek to be cost effective and efficient in all activity related to received funds;
5. To provide the necessary educational support suited to our students varying capabilities and proficiencies; essential to their personal development and growth;
6. To encourage the development of character, curiosity, independence, a strong personal and moral code and creativity in both students and staff;
7. To deliver the experience and professionalism of a high calibre of academic staff and encourage collegial harmony in order that staff share knowledge and exchange ideas;
8. To provide a challenging yet balanced curriculum complying with all appropriate statutory requirements; and
9. To work in close partnership with parents in order to achieve our aims and objectives.

**Strategies**

The Academy's strategies are as follows:

1. To raise educational standards by ensuring the highest quality teaching using the best possible techniques and approaches;
2. To develop, where appropriate, personalised learning pathways in accordance with the curriculum providing the opportunity to develop special skills and talents;
3. To provide quality assurance tools to evaluate performance; and
4. To ensure that all long term and short term plans for the Academy are met through the Strategic and Operational plan.

**d. Main activities undertaken to further the charity's purposes for the public benefit**

As a non-selective secondary Academy, the work is, by its very nature to the benefit of the public. The Academy offers a broad curriculum to pupils of all abilities aged from 11 – 19 who come from varied socio-economic backgrounds. Furthermore, the Governors have had regard to the Charity Commission guidance on public benefit beyond the provision of secondary education. It conducts its business with great consideration to its neighbours and there is a strong policy to promote public use of its buildings for club, sport and tuition to the benefit of the community.

**Achievements and performance**

**a. Key performance indicators**

The school's overall effectiveness is good. The school has recently undergone an Ofsted inspection. The outcome of this inspection rated the school as 'good' and validates the success of the school. The inspection confirmed the upward trend in progress that the school is achieving in relation to pupil progress.

The pupils' attendance at school is high and reflects national averages.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**b. Review of activities**

The Academy's headline figures for 2017 in terms of realisation of its achievement and performance are:

**Key Stage 4**

Value added in terms of 'Progress 8' : -0.06 (2016: -0.04)

Average attainment 8 Grade: 4.78 (2016: 5.30)

Basics (A\* - C in English and Maths): 67% (2016: 69.8%)

**Post-16 Year 12**

A level performance score : ALPS level 4 (2016: level 3)

**Post-16 Year 13**

A level performance score : ALPS level 4 (2016: level 4)

**Post 16**

Retention, achievement and success : Above national average

**c. Investment policy and performance**

The Governors have agreed a policy for investment of balances and whilst not currently holding any investments, the strategy is to regularly monitor cash flow and current accounts balances to ensure immediate financial commitments can be met. The current account must have adequate balances to meet forthcoming commitments. Any surplus funds will be identified and discussed as and when required.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. Financial risk management objectives and policies**

During the period 1 September 2016 to 31 August 2017 the main source of income for the Academy has been that received from the Education & Skills Funding Agency (ESFA) in the form of a General Annual Grant (GAG). The Academy has also received income from Gloucestershire County Council for Special Educational Needs (SEN) which the Academy uses to support pupils with statements. Income has also been generated by the Academy from activities such as the sports centre operation and educational trips. The total income for the year was £11,343,358 (2016 - £9,011,254).

The Academy is popular and oversubscribed and so operates at full capacity. In the main, all of the income the Academy expected to achieve throughout the year was realised. Expenditure was as expected and projected throughout the year. There were no unusual occurrences with either income or expenditure. The Academy was able to manage effectively with its existing resources and held a sufficient contingency to cover unforeseen eventualities. Total expenditure during the year was £9,404,291 (2016 - £9,295,662).

Capital grants from the ESFA have been received and spent accordingly on the relevant projects. The private funds accounts have also been included in these financial statements and those of the prior year.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**c. Risk management including principal risks and uncertainties**

The major risks to which the Academy would be exposed to a potential loss are: a reduction in income, an increase in costs, a reduction in pupil numbers and potentially loss through misappropriation or fraud. To guard against these a demographic study has been completed which identifies the number of potential students that could apply for admission at the Academy. Environmental scanning is carried out to identify any political changes that may result in reduction in funding in future years. Financial risks are limited by various internal and external processes. All transactions are reconciled in a timely manner against bank accounts. Staffing and other cost forecasts for future years are carried out continually throughout the year. As part of a Service Level Agreement (SLA) with the Local Authority, the financial operation and samples of transactions are overseen by the Local Authority area finance team.

**d. Reserves policy**

The Governors have reviewed the reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Governors.

The Academy held fund balances at 31 August 2017 of £22,494,270 (2016 - £19,759,203) comprising £23,804,292 (2016 - £21,802,224) of restricted funds, £2,756,000 of pension reserve deficit (2015 - £3,388,000) and £1,445,978 (2016 - £1,344,979) of unrestricted general funds which also represent free reserves.

With regard to the deficit on the pension reserve, the Academy will continue to make contributions to the Local Government Pension Scheme (LGPS) with actuarial advice, and has no plans to increase contributions above the recommended level.

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity. The registered company number is 07524244.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of Cheltenham Bournside School and Sixth Form Centre and are also the directors of the charitable company for the purpose of company law.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Governors' indemnities**

Indemnity insurance has been obtained which covers the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or duty of which they may be guilty in relation to the Academy. Also, subject to the provisions of the Companies Act 2006 every Governor or other office of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

**c. Method of recruitment and appointment or election of Governors**

Governors are elected in accordance with the Articles of Association. The number of Governors should not be less than three but is not subject to a maximum. The Governing Body is a mix of Parent Governors, Staff Governors and Additional Governors.

Parent Governors Elections

Parent Governors generally serve for four years. Once this term has expired, or a letter of resignation has been received, the Clerk notifies parents and invites nominations for the post. The closing date for nominations should be at least six days from the date of the letter. If the number of nominations is equal to, or fewer than, the number of vacancies to be filled, a ballot need not be held. The nominee will automatically be elected and the Headteacher should ensure that the successful candidate completes a declaration form and should verify his/her identity. If there are more nominations than there are vacancies then an anonymous ballot shall be held.

Staff Governor Elections

The Headteacher is a Member of the Governing Body by virtue of his office. Both teaching and support staff paid to work at the Academy are eligible for staff governorships and are elected by the Academy staff. There should always be at least one representative from the teaching staff and one from support staff. Term of office is usually four years and upon a position becoming vacant the role should be advertised via a note to all staff. This should include invitations to nominate a candidate, and a nomination form to be returned by a given date. If the number of nominations is equal to the number of vacancies the nominee is automatically elected, unopposed.

Appointed Governors

Additional Governors tend to be members of the local business community and are subject to the same four year tenure and training as Staff and Parent Governors.

**d. Policies and procedures adopted for the induction and training of Governors**

On appointment, the Clerk to the Governors sends useful website links and sources of information to the new Governor. There is an opportunity to meet with the Headteacher along with a tour of the Academy. There is access to information on the Governor section of the Academy's website which includes policies, year planners, minutes and agendas. Governors are encouraged to request or suggest any training requirements. Furthermore, all Governors are subject to an enhanced DBS check.

All new Governors are inducted by the Chair and/or Vice Chair of Governors and they receive mentoring dependent on their background and experience.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**e. Arrangements for setting pay and remuneration of key management personnel**

The pay and remuneration for members of the Senior Leadership Team is determined by the Pay and Performance Management Committee.

Progression through any pay structure for each member of the SLT is dependent upon successful performance in their role. Performance of each member of the SLT is reviewed by the Headteacher and any recommendations he would make would need to be approved by the committee.

The Headteacher's pay is formulated and reviewed by the Pay and Performance Management Committee.

**f. Organisational structure**

The organisational structure consists of Governors, Senior Leadership Team, School Leadership Personnel and School Personnel. The Governors are responsible for setting policies, adopting an annual plan and budget, monitoring the Academy's progress and any senior staff appointments. The Senior Leadership Team are responsible for the implementation of Academy policy, appointing staff and spending within agreed budgets. School Leadership Personnel work with the Senior Leadership Team to ensure the Academy's aims and objectives are met. School Leadership Personnel consists of support and teaching members of staff. School Personnel is a key part of the Academy's structure which enables the achievement of Academy aims and objectives, through the distribution of leadership responsibility and accountability.

The day to day management of the Academy is delegated to the Headteacher, supported by the Senior Leadership Team. Strategic and more complex matters are presented to the Governors. To enable the Governors to perform their duties, a Committee structure has been adopted. The regular Committees are as follows:

- Strategy & Policy Committee
- Finance and General Purpose Committee
- Admissions Committee
- Pay & Performance Management Committee
- Curriculum Committee
- Governance & Nomination Committee

In addition, other panels (eg. discipline) meet when required on an ad-hoc basis.

Delegation of powers to each Committee has been agreed by the Governing Body to enable them to carry out their duties and ensure the smooth running of the Academy. Each Committee reports back to the Governing Body at each full meeting held termly. The Chairman of the Governors can take decisions on behalf of the Governing Body when a delay would prejudice the interests of the Academy.

Committee membership is determined by the Governance & Nomination Committee but within statutory guidelines as per the Articles of Association. Staff Governors are not permitted to be members of the Pay Committee, whereas the Chair and Vice Chair will always be members.

Policies are reviewed and approved according to a policy schedule which is a standing item at Full Governing Body meetings and all Committee meetings.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Plans for future periods**

**a. Future developments**

The Academy will continue to seek funding opportunities, together with utilising its own resources to deliver a programme of continuous improvement to the building infrastructure to enable the Academy to meet its strategic objectives, both now and in the future.

The Academy has developed and will apply strategies to enable the Academy to maintain its strong financial position in the face of Government reforms that will result in a reduction in sixth form funding nationally.

The Academy has reviewed its current practices and structures and has plans to respond to the changing environment in relation to curriculum, assessment and accountability following recent Government reforms.

The Academy will continue to develop leadership at all levels with relevant continuing professional improvement.

The Academy has plans to further develop the use of new and changing information technologies to maximise our efficiency and effectiveness in delivering the best possible outcomes for our students.

**Disclosure of information to auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Governors' report was approved by order of the Governing Body, as the company directors, on 12 December 2017 and signed on its behalf by:

**Neil Spurrier**  
**Chair of Governors**

**Gareth Burton**  
**Accounting Officer**

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Neil Spurrier, Chair	5	5
Susan Tovell, Vice Chair	3	5
Allan Foulds	5	5
Keith Chamberlain	2	2
Stephen Reis	5	5
Stephen Rudge	1	5
Richard Knight	3	5
Angie Langley	1	2
Antonia Noble	2	5
Matthew Gray, Staff Governor	3	3
Scott Harvey	3	5
Nicola Hayward	3	5
Krissy Scott	5	5
Katherine Safe	4	5
Alan Hastings, Staff Governor	5	5
Andrew Ponting	4	5
Kenneth Goodwin	2	4
Paul Edward John Baker	4	4
Stuart Lee Hutton	3	4
Nicola Jane Cox	4	4
Julie Dawn Bodilly, Staff Governor	3	3
Samantha Candida Watson	4	4

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT (continued)**

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The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to review and monitor the financial and business matters of the Academy.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Alan Foulds, Head Teacher	1	5
Neil Spurrier, Chair	4	5
Susan Tovell, Vice Chair	3	5
Andrew Ponting	4	5
Paul Baker	4	4
Stephen Reis	3	5
Julie Bodilly, Staff Governor	3	3
Alan Hastings, Staff Governor	5	5

#### **Review of Value for Money**

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Economic and efficient and effective use of resources evidenced by the continuous upward trend in student progress and achievement over time. This has been validated by an OFSTED inspection in September 2016 and whilst the 2017 student achievement data appears not to evidence this upward trend, comparisons between the 2016 and 2017 national performance data are statistically invalid, owing to completely different methodologies being used;
- Prudently and economically, managing the organisation. The Academy is in a strong financial position financial reserves that will enable the Academy to continue to improve its student outcomes going forward;
- Ensuring that all aspects of the operation of the Academy ensure value for money and that there is an established and sound system of financial governance and internal controls, together with regular and timely financial monitoring.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Cheltenham Bournside School and Sixth Form Centre for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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

The Governing Body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT (continued)**

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significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have delegated the role of checks on its systems and controls to an external accounting firm. Randall and Payne LLP, as Responsible Officer (RO).

The firm's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Payroll
- Purchases
- Tendering
- Income
- Petty cash
- Accounting systems, including bank reconciliations and other control reports

On an annual basis, the firm reports to the Governing Body through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT (continued)**

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**Review of Effectiveness**

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

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

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

Approved by order of the members of the Governing Body on 12 December 2017 and signed on their behalf, by:

**Neil Spurrier**  
**Chair of Governors**

**Gareth Burton**  
**Accounting Officer**

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Cheltenham Bournside School and Sixth Form Centre I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

The accounting officer of Cheltenham Bournside School and Sixth Form Centre prior to 1 September 2017 was Allan Foulds. At the date of resignation, an interim statement of regularity, propriety and compliance was signed. This acknowledges that prior to 1 September 2017, Allan Foulds was responsible for the public funds under their control and confirms that no instances of material irregularity, impropriety or funding non-compliance had been discovered to that date.

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

**Gareth Burton**  
**Accounting Officer**

Date: 12 December 2017

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 12 December 2017 and signed on its behalf by:

**Neil Spurrier**  
**Chair of Governors**

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**

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### **Opinion**

We have audited the financial statements of Cheltenham Bournside School and Sixth Form Centre for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

### **Basis of 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

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

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

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

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 Governors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of governors**

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the academy'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 Governors either intend to liquidate the academy's or to cease

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**

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operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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). The description forms part of our Auditor's report.

Martin Regan (Senior statutory auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ  
15 December 2017

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS  
FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 22 October 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cheltenham Bournside School and Sixth Form Centre during the year 1 September 2016 to 31 August 2017 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 Cheltenham Bournside School and Sixth Form Centre and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cheltenham Bournside School and Sixth Form Centre and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cheltenham Bournside School and Sixth Form Centre and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cheltenham Bournside School and Sixth Form Centre's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Cheltenham Bournside School and Sixth Form Centre's funding agreement with the Secretary of State for Education dated 26 April 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 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's income and expenditure.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS  
FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Crowe Clark Whitehill LLP**

Statutory Auditor

Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ

15 December 2017

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations and capital grants	2	7,721	-	2,433,683	2,441,404	34,201
Charitable activities	3	228,693	8,274,052	-	8,502,745	8,627,724
Other trading activities	4	399,209	-	-	399,209	348,144
Investments	5	-	-	-	-	1,185
<b>Total income</b>		<b>635,623</b>	<b>8,274,052</b>	<b>2,433,683</b>	<b>11,343,358</b>	<b>9,011,254</b>
<b>Expenditure on:</b>						
Raising funds		278,648	-	-	278,648	256,849
Charitable activities		103,591	8,564,679	457,373	9,125,643	9,038,813
<b>Total expenditure</b>	6	<b>382,239</b>	<b>8,564,679</b>	<b>457,373</b>	<b>9,404,291</b>	<b>9,295,662</b>
<b>Net income / (expenditure) before transfers</b>		<b>253,384</b>	<b>(290,627)</b>	<b>1,976,310</b>	<b>1,939,067</b>	<b>(284,408)</b>
Transfers between Funds	15	(152,385)	-	152,385	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>100,999</b>	<b>(290,627)</b>	<b>2,128,695</b>	<b>1,939,067</b>	<b>(284,408)</b>
Other recognised gains/(losses)		-	796,000	-	796,000	(591,000)
<b>Net movement in funds</b>		<b>100,999</b>	<b>505,373</b>	<b>2,128,695</b>	<b>2,735,067</b>	<b>(875,408)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,344,979	(2,653,301)	21,067,525	19,759,203	20,634,611
<b>Total funds carried forward</b>		<b>1,445,978</b>	<b>(2,147,928)</b>	<b>23,196,220</b>	<b>22,494,270</b>	<b>19,759,203</b>

The notes on pages 24 to 45 form part of these financial statements.

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07524244**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	12		<b>20,796,220</b>		21,067,525
<b>Current assets</b>					
Debtors	13	<b>253,310</b>		374,703	
Cash at bank and in hand		<b>4,576,722</b>		2,116,406	
		<b>4,830,032</b>		2,491,109	
<b>Creditors:</b> amounts falling due within one year	14	<b>(375,982)</b>		(411,431)	
<b>Net current assets</b>			<b>4,454,050</b>		2,079,678
<b>Total assets less current liabilities</b>			<b>25,250,270</b>		23,147,203
Defined benefit pension scheme liability	19		<b>(2,756,000)</b>		(3,388,000)
<b>Net assets including pension scheme liabilities</b>			<b>22,494,270</b>		19,759,203
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	15	<b>608,072</b>		734,699	
Restricted fixed asset funds	15	<b>23,196,220</b>		21,067,525	
Restricted income funds excluding pension liability		<b>23,804,292</b>		21,802,224	
Pension reserve		<b>(2,756,000)</b>		(3,388,000)	
Total restricted income funds			<b>21,048,292</b>		18,414,224
Unrestricted income funds	15		<b>1,445,978</b>		1,344,979
<b>Total funds</b>			<b>22,494,270</b>		19,759,203

The financial statements on pages 21 to 45 were approved by the Governors, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

**Neil Spurrier**  
**Chair of Governors**

**Gareth Burton**  
**Accounting Officer**

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<u>246,384</u>	<u>122,848</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(186,068)	(42,552)
Capital grants from DfE/ESFA		<u>2,400,000</u>	<u>34,201</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>2,213,932</u>	<u>(8,351)</u>
Bank interest		-	(1,185)
<b>Net cash used in financing activities</b>		-	(1,185)
<b>Change in cash and cash equivalents in the year</b>		<u>2,460,316</u>	<u>113,312</u>
Cash and cash equivalents brought forward		<u>2,116,406</u>	<u>2,003,094</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>4,576,722</u></u>	<u><u>2,116,406</u></u>

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy 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 Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cheltenham Bournside School and Sixth Form Centre constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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

**1.3 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies (continued)**

**1.4 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when 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 are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

**1.5 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 includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% - 5% straight line
Fixtures and fittings	-	10% straight line
Academy equipment	-	10% straight line
Computer equipment	-	25% straight line

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

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies (continued)**

**1.7 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 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 incorporating income and expenditure account 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.

**1.8 Liabilities and provisions**

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

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies (continued)**

**1.10 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at Bank and in hand**

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

**1.13 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.14 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.

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies (continued)**

**1.15 Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2017. 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.

**1.16 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 25.

**2. Income from donations and capital grants**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Donations	7,721	-	-	7,721	-
Capital Grants	-	-	33,683	33,683	34,201
LA funding for expansion project	-	-	2,400,000	2,400,000	-
	<u>7,721</u>	<u>-</u>	<u>2,433,683</u>	<u>2,441,404</u>	<u>34,201</u>
<i>Total 2016</i>	<u>-</u>	<u>-</u>	<u>34,201</u>	<u>34,201</u>	

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**3. Income from charitable activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for educational operations	116,936	8,274,052	8,390,988	8,535,955
School trips	111,757	-	111,757	91,769
	<u>228,693</u>	<u>8,274,052</u>	<u>8,502,745</u>	<u>8,627,724</u>
<i>Total 2016</i>	<u>194,626</u>	<u>8,433,098</u>	<u>8,627,724</u>	

**Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,651,905	7,651,905	7,729,765
Other DfE/ESFA revenue grants	-	214,451	214,451	254,588
	<u>-</u>	<u>7,866,356</u>	<u>7,866,356</u>	<u>7,984,353</u>
<b>Other government grants</b>				
Local Authority grants	-	211,289	211,289	154,796
Other government grants	-	13,382	13,382	13,636
	<u>-</u>	<u>224,671</u>	<u>224,671</u>	<u>168,432</u>
<b>Other funding</b>				
Academy funds	116,936	-	116,936	104,391
Income for staff secondment	-	-	-	85,536
Insurance claim income	-	53,134	53,134	153,813
Contributions from BeLF	-	129,891	129,891	39,430
	<u>116,936</u>	<u>183,025</u>	<u>299,961</u>	<u>383,170</u>
	<u>116,936</u>	<u>8,274,052</u>	<u>8,390,988</u>	<u>8,535,955</u>
<i>Total 2016</i>	<u>102,857</u>	<u>8,433,098</u>	<u>8,535,955</u>	

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental and sports centre income	155,580	-	155,580	152,458
Catering income	235,018	-	235,018	195,686
Reimbursement of staff member	946	-	946	-
Water Services Income	7,665	-	7,665	-
	<u>399,209</u>	<u>-</u>	<u>399,209</u>	<u>348,144</u>
<i>Total 2016</i>	<u>348,144</u>	<u>-</u>	<u>348,144</u>	

**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	-	-	-	1,185
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,185</u>
<i>Total 2016</i>	<u>1,185</u>	<u>-</u>	<u>1,185</u>	

**6. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	143,285	-	135,363	278,648	256,849
Funding for education:					
Direct costs	5,867,010	457,373	1,049,975	7,374,358	7,122,750
Support costs	766,283	-	985,002	1,751,285	1,916,063
	<u>6,776,578</u>	<u>457,373</u>	<u>2,170,340</u>	<u>9,404,291</u>	<u>9,295,662</u>
<i>Total 2016</i>	<u>6,664,237</u>	<u>450,210</u>	<u>2,181,215</u>	<u>9,295,662</u>	

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Funding for educational operations	7,374,358	1,751,285	9,125,643	9,038,813
<i>Total 2016</i>	<u>7,122,750</u>	<u>1,916,063</u>	<u>9,038,813</u>	

**Analysis of direct costs**

	Funding for education £	Total 2017 £	Total 2016 £
Teaching and educational support staff costs	184,669	184,669	180,148
Educational supplies	590,422	590,422	488,700
Educational activities	103,591	103,591	93,966
Examination fees	164,135	164,135	138,475
Staff development	30,683	30,683	30,361
Other direct costs	161,144	161,144	163,351
Wages and salaries	4,500,415	4,500,415	4,468,111
National insurance	456,189	456,189	389,279
Pension cost	725,737	725,737	720,149
Depreciation	457,373	457,373	450,210
	<u>7,374,358</u>	<u>7,374,358</u>	<u>7,122,750</u>
<i>At 31 August 2016</i>	<u>7,122,750</u>	<u>7,122,750</u>	

**Analysis of support costs**

	Funding for education £	Total 2017 £	Total 2016 £
Staff costs	655,604	655,604	620,609
Support staff costs	274,679	274,679	240,163
Maintenance of premises and equipment	212,620	212,620	344,757
Cleaning	195,366	195,366	166,386
Rent & rates	31,909	31,909	30,015
Insurance	10,693	10,693	67,482
Security and transport	30,698	30,698	67,660
Professional fees	90,417	90,417	101,657
Other support costs	249,299	249,299	277,334
	<u>1,751,285</u>	<u>1,751,285</u>	<u>1,916,063</u>
<i>At 31 August 2016</i>	<u>1,916,063</u>	<u>1,916,063</u>	

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**8. Net income/(expenditure)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>457,373</b>	<b>450,210</b>
Auditor's remuneration - audit	<b>9,250</b>	<b>9,000</b>
Auditor's remuneration - other services	<b>9,805</b>	<b>6,155</b>
Operating lease rentals	<b>136,202</b>	<b>54,075</b>
	<b>=====</b>	<b>=====</b>

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**9. Staff costs**

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,100,604</b>	5,057,129
Social security costs	<b>499,457</b>	425,018
Operating costs of defined benefit pension schemes	<b>881,169</b>	864,779
	<b>6,481,230</b>	6,346,926
Supply teacher costs	<b>184,669</b>	180,148
Supply costs - support staff	<b>110,679</b>	137,163
	<b>6,776,578</b>	6,664,237

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>102</b>	95
Administration and support	<b>62</b>	58
	<b>164</b>	153

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	2
In the band £70,001 - £80,000	<b>1</b>	1
In the band £100,001 - £110,000	<b>1</b>	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these members of staff amounted to £51,428 (2016 - £47,271).

The key management personnel of the academy trust comprise the Senior Leadership Team as detailed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £867,278 (2016 - £670,371).

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**10. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors, The value of Governors' remuneration and other benefits was as follows:

		<b>2017</b>	<i>2016</i>
		<b>£</b>	<b>£</b>
Allan Foulds (Head teacher)	Remuneration	<b>105,000-110,000</b>	<i>105,000-110,000</i>
Matthew Gray	Remuneration	<b>35,000-40,000</b>	<i>35,000-40,000</i>
Katherine Safe	Remuneration		<i>35,000-40,000</i>
Alan Hastings	Remuneration	<b>55,000-60,000</b>	<i>55,000-60,000</i>
Julie Bodilly	Remuneration	<b>25,000-30,000</b>	

During the year ended 31 August 2017, 1 governor received reimbursement of expenses totalling £19 (2016 - No governors received reimbursement of expenses).

**11. Governors' and Officers' Insurance**

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and Officers indemnity element from the overall cost of the RPA scheme.

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**12. Tangible fixed asset**

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	22,123,968	631,532	148,737	521,911	23,426,148
Additions	49,683	41,147	28,923	66,315	186,068
At 31 August 2017	<u>22,173,651</u>	<u>672,679</u>	<u>177,660</u>	<u>588,226</u>	<u>23,612,216</u>
<b>Depreciation</b>					
At 1 September 2016	1,626,376	223,194	55,979	453,074	2,358,623
Charge for the year	318,664	67,268	17,766	53,675	457,373
At 31 August 2017	<u>1,945,040</u>	<u>290,462</u>	<u>73,745</u>	<u>506,749</u>	<u>2,815,996</u>
<b>Net book value</b>					
At 31 August 2017	<u>20,228,611</u>	<u>382,217</u>	<u>103,915</u>	<u>81,477</u>	<u>20,796,220</u>
At 31 August 2016	<u>20,497,592</u>	<u>408,338</u>	<u>92,758</u>	<u>68,837</u>	<u>21,067,525</u>

**13. Debtors**

	2017 £	2016 £
Trade debtors	1,998	32,577
Other debtors	80,409	92,716
Prepayments and accrued income	170,903	249,410
	<u>253,310</u>	<u>374,703</u>

Included in prepayments and accrued income is an amount of £96,202 relating to 'prepaid construction costs' for the schools expansion project. These costs will be treated as 'asset under construction' when the project begins.

**14. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	(61)	193
Other taxation and social security	125,323	124,484
Other creditors	130,229	131,138
Accruals and deferred income	120,491	155,616
	<u>375,982</u>	<u>411,431</u>

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**14. Creditors: Amounts falling due within one year (continued)**

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	14,780	30,566
Resources deferred during the year	19,978	14,780
Amounts released from previous years	(14,780)	(30,566)
	19,978	14,780
Deferred income at 31 August 2017	19,978	14,780

During the year ended 31 August 2017, the Academy was holding funds for ESFA GAG rates relief funding received in advance of the 2017/18 academic year.

**15. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) / Transfers £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted general fund	1,344,979	635,623	(382,239)	(152,385)	-	1,445,978
<b>Restricted funds</b>						
General Annual Grant (GAG)	734,699	7,651,905	(7,778,532)	-	-	608,072
Pupil premium and other grants	-	214,451	(214,451)	-	-	-
Other government grants	-	224,671	(224,671)	-	-	-
Other funding	-	183,025	(183,025)	-	-	-
Pension reserve	(3,388,000)	-	(164,000)	-	796,000	(2,756,000)
	(2,653,301)	8,274,052	(8,564,679)	-	796,000	(2,147,928)
<b>Restricted fixed asset funds</b>						
Fixed assets	20,934,350	-	(457,373)	319,243	-	20,796,220
Formula capital grants	133,175	33,683	-	(166,858)	-	-
Expansion project	-	2,400,000	-	-	-	2,400,000
	21,067,525	2,433,683	(457,373)	152,385	-	23,196,220
Total restricted funds	18,414,224	10,707,735	(9,022,052)	152,385	796,000	21,048,292
Total of funds	19,759,203	11,343,358	(9,404,291)	-	796,000	22,494,270

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**15. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) / Transfers £</i>	<i>Balance at 31 August 2016 £</i>
<b>Unrestricted funds</b>						
Unrestricted general fund	1,160,190	543,955	(350,815)	-	(8,351)	1,344,979
	<u>1,160,190</u>	<u>543,955</u>	<u>(350,815)</u>	<u>-</u>	<u>(8,351)</u>	<u>1,344,979</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	693,238	7,729,765	(7,688,304)	-	-	734,699
Pupil premium and other grants	-	254,588	(254,588)	-	-	-
Other government grants	-	168,432	(168,432)	-	-	-
Other funding	-	280,313	(280,313)	-	-	-
Pension reserve	(2,694,000)	-	(103,000)	-	(591,000)	(3,388,000)
	<u>(2,000,762)</u>	<u>8,433,098</u>	<u>(8,494,637)</u>	<u>-</u>	<u>(591,000)</u>	<u>(2,653,301)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	21,376,209	-	(450,210)	-	8,351	20,934,350
Formula capital grants	98,974	34,201	-	-	-	133,175
	<u>21,475,183</u>	<u>34,201</u>	<u>(450,210)</u>	<u>-</u>	<u>8,351</u>	<u>21,067,525</u>
Total restricted funds	<u>19,474,421</u>	<u>8,467,299</u>	<u>(8,944,847)</u>	<u>-</u>	<u>(582,649)</u>	<u>18,414,224</u>
Total of funds	<u><u>20,634,611</u></u>	<u><u>9,011,254</u></u>	<u><u>(9,295,662)</u></u>	<u><u>-</u></u>	<u><u>(591,000)</u></u>	<u><u>19,759,203</u></u>

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

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**15. Statement of funds (continued)**

Restricted general funds

The General Annual Grant is subject to specific expenditure within the Academy's declared objectives. Other DfE/EFA grants relate to Government funding for the provision of education by the Academy and have been fully expended in the year. Funding is repayable if the Academy does not meet all funding requirements.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the GAG that it could carry forward at 31 August 2017. This limit was not breached during the year ended 31 August 2017.

The capital maintenance grant allocation to restricted general funds reflects the purpose for which the grants are provided.

Other funds include pupil premium and other government grants which are to be spent on various restricted purposes as detailed in the original grant letter. The Local Government Pension Scheme is also included within this fund. Please refer to note 19 for further details regarding this balance.

Restricted fixed asset funds

These funds relate to the land, buildings and other fixed assets which are owned by the Academy and used in accordance with the charitable objectives.

The fund relating to the expansion project reflects the receipt of income in the year but no expenditure has yet been capitalised. When the project commences, costs will be allocated to this fund.

Unrestricted funds

Represents income generated by the Academy (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Transfers between funds relate to amounts expended on fixed assets from unrestricted funds and restricted general funds which have been used for the acquisition of fixed assets during the period.

**16. Analysis of net assets between funds**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>
Tangible fixed assets	-	-	20,796,220	20,796,220
Current assets	1,445,978	984,054	2,400,000	4,830,032
Creditors due within one year	-	(375,982)	-	(375,982)
Provisions for liabilities and charges	-	(2,756,000)	-	(2,756,000)
	<u>1,445,978</u>	<u>(2,147,928)</u>	<u>23,196,220</u>	<u>22,494,270</u>

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**16. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	21,067,525	21,067,525
Current assets	1,344,979	1,146,130	-	2,491,109
Creditors due within one year	-	(411,431)	-	(411,431)
Provisions for liabilities and charges	-	(3,388,000)	-	(3,388,000)
	<u>1,344,979</u>	<u>(2,653,301)</u>	<u>21,067,525</u>	<u>19,759,203</u>

**17. Reconciliation of net movement in funds to net cash flow from operating activities**

	2017	2016
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,939,067	(284,408)
<b>Adjustment for:</b>		
Depreciation charges	457,373	450,210
Decrease/(increase) in debtors	121,393	(211,848)
(Decrease)/increase in creditors	(35,449)	98,910
Capital grants from DfE and other capital income	(2,400,000)	(34,201)
Defined benefit pension scheme cost less contributions payable	92,000	5,000
Defined benefit pension scheme finance cost	72,000	98,000
Bank interest	-	1,185
<b>Net cash provided by operating activities</b>	<u>246,384</u>	<u>122,848</u>

**18. Analysis of cash and cash equivalents**

	2017	2016
	£	£
Cash in hand	4,576,722	2,116,406
Total	<u>4,576,722</u>	<u>2,116,406</u>

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**19. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £113,282 were payable to the schemes at 31 August 2017 (2016 - £114,009) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £632,752 (2016 - £629,588).

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**19. Pension commitments (continued)**

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £370,000 (2016 - £356,000), of which employer's contributions totalled £307,000 (2016 - £292,000) and employees' contributions totalled £63,000 (2016 - £64,000). The agreed contribution rates for future years are 19.5% for employers and 6.5% 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:

	<b>2017</b>	<i>2016</i>
Discount rate for scheme liabilities	<b>2.50 %</b>	<i>2.10 %</i>
Rate of increase in salaries	<b>2.70 %</b>	<i>2.40 %</i>
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	<i>2.10 %</i>

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

	<b>2017</b>	<i>2016</i>
Retiring today		
Males	<b>22.4</b>	<i>22.5</i>
Females	<b>24.0</b>	<i>24.6</i>
Retiring in 20 years		
Males	<b>24.6</b>	<i>24.4</i>
Females	<b>26.4</b>	<i>27.0</i>

**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**19. Pension commitments (continued)**

The academy's share of the assets in the scheme was:

	<b>Fair value at 31 August 2017 £</b>	<i>Fair value at 31 August 2016 £</i>
Equities	<b>2,710,000</b>	<i>2,167,000</i>
Corporate bonds	<b>715,000</b>	<i>669,000</i>
Property	<b>264,000</b>	<i>223,000</i>
Cash and other liquid assets	<b>75,000</b>	<i>128,000</i>
	<hr/>	<hr/>
Total market value of assets	<b>3,764,000</b>	<i>3,187,000</i>
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The actual return on scheme assets was £70,000 (2016 - £97,000).

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

	<b>2017 £</b>	<i>2016 £</i>
Opening defined benefit obligation	<b>6,575,000</b>	<i>5,084,000</i>
Interest cost	<b>142,000</b>	<i>200,000</i>
Employee contributions	<b>63,000</b>	<i>64,000</i>
Benefits paid	<b>(99,000)</b>	<i>(29,000)</i>
Actuarial (gains)/losses	<b>(560,000)</b>	<i>959,000</i>
Current service cost	<b>399,000</b>	<i>297,000</i>
	<hr/>	<hr/>
Closing defined benefit obligation	<b>6,520,000</b>	<i>6,575,000</i>
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Movements in the fair value of the academy's share of scheme assets:

	<b>2017 £</b>	<i>2016 £</i>
Opening fair value of scheme assets	<b>3,187,000</b>	<i>2,395,000</i>
Interest income	<b>70,000</b>	<i>97,000</i>
Employer contributions	<b>307,000</b>	<i>292,000</i>
Employee contributions	<b>63,000</b>	<i>64,000</i>
Benefits paid	<b>(99,000)</b>	<i>(29,000)</i>
Actuarial gains	<b>236,000</b>	<i>368,000</i>
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Closing fair value of scheme assets	<b>3,764,000</b>	<i>3,187,000</i>
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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**20. Operating lease commitments**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Between 1 and 5 years	<u>138,582</u>	<u>106,155</u>

**21. Members' liability**

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

**22. Related party transactions**

Owing to the nature of the academy's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Harrison Clark Rickerbys Limited – a company in which Mr R Knight (a Governor of the Academy Trust) has an interest:

- The Trust acquired professional services from Harrison Clark Rickerbys Limited totalling £31,625, £29,000 of which was refunded by the EFSA, (2016 - £2,899) during the year. There were no amounts outstanding at 31 August 2017 (2016 - £nil).

In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

ASCL Limited – a company in which Mr A Foulds (a Governor and Head teacher of the Academy Trust) has an interest:

- The Trust acquired professional services from ASCL Limited totalling £nil (2016 - £1,615) during the year. There were no amounts outstanding at 31 August 2017 (2016 - £nil).
- The Trust received income from ASCL relating to staff secondment totalling £nil (2016 - £85,536).

In entering into these transactions the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Please refer to note 10 for details of Governors' remuneration.

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**CHELTENHAM BOURNSIDE SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**23. Agency Arrangements**

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the Academy received £23,845 (2016 - £25,303) and disbursed £16,961 (2016 - £20,228) from the fund. An amount of £6,884 (2016 - £5,075) has been added to the existing creditor from the prior year resulting in a total of £16,815 of undistributed funds that are repayable to ESFA.