

Company Registration No. 07850292 (England and Wales)

BOURNE GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

BOURNE GRAMMAR SCHOOL

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BOURNE GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

I M Fytche (Chair of Governors)
R H Brown
Mrs J E Burrows
G R Greatwood
B J Fines (Resigned 23 September 2015)
Mrs A Gale (Resigned 15 July 2015)
Cllr Mrs S Woolley
I J G Mears
P J Hyland
Dr I M Wheatley
Mrs M Armstrong
N Smith
J P Maddox (Accounting Officer)
Father C Atkinson
M S Tupholme
L Taylor
R Elliot (Appointed 18 November 2014)
R J Parker
S Dharamraj (Appointed 18 November 2014)
K Addison (Appointed 10 September 2014)
S Nightingale (Appointed 20 November 2015)
M Ward (Term expired 17 November 2014)
J Organ (Term expired 1 October 2014)

Members

Senior management team

- Headteacher	J P Maddox
- Deputy Headteacher	A G Ransom
- Assistant Headteacher (Teaching & Learning)	Mrs G M Hall
- Assistant Headteacher (Pastoral)	Mrs E J Faux
- Director of Business & Development	Mrs J L Gray

Company secretary

Mrs D Weston

Accounting officer

J P Maddox

Company registration number

07850292 (England and Wales)

Registered office

South Road
Bourne
PE10 9JE

Independent auditor

Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

BOURNE GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

TSB PLC
30-31 Long Causeway
Peterborough
Cambridgeshire
PE1 1XP

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Bourne Grammar School (the 'School') was incorporated on 16 November 2011, it is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association, dated 16 November 2011 are the primary governing documents of the School.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. 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 Bourne Grammar School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bourne Grammar School.

The objective of the School is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The direction of the School is shaped by the School Development Plan.

The governing body and its committees will act as a 'critical friend' by offering an external perspective to the Headteacher and the School through:

- Monitoring its work;
- Offering support and advice;
- Providing an external opinion;
- Asking challenging questions and requiring satisfactory answers;
- Offering constructive criticism where appropriate.

The governors are the trustees of Bourne Grammar School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

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.

Governors' indemnities

From the articles' to provide indemnity insurance to cover the liability of governors which by virtue of any rule of law should otherwise attach to them in respect of any negligence, breach of trust or breach of duty of which they may be guilty in relation to the School. Provided that any such insurance shall not extend to any claim arising from any act or omission, which the governors knew to be in breach of trust or breach of duty, and provided also that any such insurance shall not extend to costs of any unsuccessful defence to a criminal prosecution against the governors in their capacity as governors.

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of governors

Subject to Articles 48-49 and 64, the School shall have the following governors:

- Up to 5 governors, appointed under Article 50.
- 7 parent governors appointed under Articles 53-58. A parent governor shall be elected by parents of registered pupils at the School. A parent governor must be a parent of the pupil at the School at the time when he is elected.
- 3 staff governors, comprising 2 teachers and 1 support staff, subject to Article 50A. The staff governors shall be elected by staff members at the School. A staff governor must be a staff member at the time he is elected. If a staff governor ceases to be a staff member then he shall deem to have resigned and shall cease to be a governor.
- 4 foundation governors, appointed under Article 51
- The Headteacher
- Any additional governors, if appointed under Article 62, 62A or 68A; and
- Any further governors, if appointed under Article 63 or Article 68A.

The term of office for any governor shall be 4 years, save that

- This time limit shall not apply to the Headteacher
- A staff governor shall only hold office for so long as he continues to be employed by the School.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors depends on their existing experience. Where necessary induction provides training on charity and educational legal and financial matters. All governors are provided with copies of terms of reference, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Organisational structure

The Headteacher, as the principal leader and manager for the School, is responsible for the internal organisation, management and control of the School, for advising the governors and for implementing the School Development Plan. The Headteacher is supported by members of the leadership team, each with their own clearly defined role and portfolio.

The Headteacher:

- Has overall executive responsibilities for the School's activities, including all financial activities;
- Formulates aims and objectives of the School for adoption, modification or rejection by the governing body;
- Formulates policies and targets for the governing body to consider;
- Reports to the governing body on progress;
- Puts into practice the policies agreed by the governing body.

The governing body delegates to the following committees, each with their own terms of reference and scheme of delegation:

- Finance & Premises
- Curriculum & Personnel
- Pastoral & Community
- Disciplinary

Related parties and other connected charities and organisations

Related parties have been identified by the governors in their annual disclosures of pecuniary interests. Further details are disclosed in note 23.

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

To offer all students registered on roll at Bourne Grammar School a broad and balanced curriculum in line with the School's visions and values.

The Headteacher leads the development and implementation of the School Development Plan. The Headteacher and Governing Body are responsible for monitoring the progress and success of the School development Plan.

Vision Statement

The school is about the best atmosphere, the best support, the best results. By the time our students leave the School they will be well qualified, well rounded and well prepared.

Objectives, strategies and activities

Public benefit

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The governors consider that the School's aims are demonstrably to the public benefit.

Strategic report

Achievements and performance

2015 GCSE Results

44.3% achieved 5+ A*-A including English Language (IGCSE) and Mathematics

82.6% achieved 5+ A*-B including English Language (IGCSE) and Mathematics

96.0% achieved 5+ A*-C including English Language (IGCSE) and Mathematics

2015 A-Level Results

The School offers a wide range of academic A-Levels.

40.7% of grades were A*-A

69.8% of grades were A*-B

89.4% of grades were A*-C

99.8% of grades were A*-E

Additional School Places

As part of the planned expansion, the Planned Admissions Number (PAN) for Year 7 was increased to 224 for September 2014 and 2015 (with agreement to offer over PAN to 240) and 240 from September 2016 and thereafter. The 2014/15 number on roll (NOR) was 1210. The NOR once expansion is complete will be 1645.

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

Condition Improvement Fund (CIF) 2015/16

The School applied for funding for two projects (Science Block and refurbishment/improvement of communal areas). The School were notified in March 2015 that they were unsuccessful in their bid for a Science Block but were awarded £460k for the refurbishment of existing toilets and the installation of a 550m² canopy to provide students with a sheltered area during break and lunch times. Work started on these projects in July 2015. During August 2015, the upstairs of the Library was refurbished to provide two additional teaching classrooms at minimum cost. The School has sufficient classrooms to meet demand until September 2017 after which temporary classroom accommodation will be required.

The bid for a Science Block will be resubmitted in December 2015.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The School held fund balances at 31 August 2015 of £10,708,949 comprising £10,609,331 of restricted funds and £99,618 of unrestricted general funds. Of the restricted funds, £11,420,344 is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £1,245,000 in deficit.

Reserves policy

Additional staff needed for expansion need to be recruited before additional students join the school and a financial year before the financial increase of additional students is realised in the GAG income. For financial year ending 31 August 2015 the school received an additional £225k of GAG income (based on 13/14 student numbers) but staff salary costs rose £225k. The school acknowledges that the necessary front loading of staff to facilitate expansion has financial implications and impacts on the Schools limited financial reserves but are confident that this situation will stabilise once the financial benefits of the expanded student population start to be realised.

The governors expect to spend the money received on the pupils in the school at the current time and retain a modest reserve in the order of £30k - £50k.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

Investment policy and powers

Under the Memorandum and Articles of Association, the School has the power to invest funds not immediately required for its own purposes, in any way the governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The governors are responsible for identifying risks faced by the charitable company, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

Future plans for the school include:

- Continued expansion of the School estate to accommodate expected number on role. This will include a dedicated Science block, refurbishment of the existing Science accommodation to provide standard teaching classrooms, refurbishment of existing toilet facilities, provision of additional toilet facilities and provision of additional covered outdoor eating areas. Given the School's funding position, all of the above are dependent on a successful outcome in the Condition Improvement Fund.
- Construction of a full size 3G artificial playing pitch (planning permission currently being submitted) at a cost of £500,000. The school has currently raised £92k and is actively seeking additional funding from Sport England.
- Acquiring temporary accommodation if the School's capital bid is unsuccessful.

Funds held as custodian trustee on behalf of others

The School and its governors do not act as the custodian trustees of any charity.

Auditor

In so far as the governors are aware:

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

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 21.12.15 and signed on its behalf by:


I M Fytche
Chair of Governors

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bourne Grammar School and the Secretary of State for Education. They are also responsible for reporting to the board of governors 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 board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
I M Fytche (Chair of Governors)	4	4
R H Brown	3	4
Mrs J E Burrows	4	4
G R Greatwood	2	4
B J Fines (Resigned 23 September 2015)	4	4
Mrs A Gale (Resigned 15 July 2015)	2	4
Cllr Mrs S Woolley	4	4
I J G Mears	4	4
P J Hyland	1	4
Dr I M Wheatley	4	4
Mrs M Armstrong	4	4
N Smith	4	4
J P Maddox (Accounting Officer)	4	4
Father C Atkinson	1	4
M S Tupholme	4	4
L Taylor	2	4
R Elliot (Appointed 18 November 2014)	3	3
R J Parker	4	4
S Dharamraj (Appointed 18 November 2014)	3	3
K Addison (Appointed 10 September 2014)	2	4
S Nightingale (Appointed 20 November 2015)	0	0
M Ward (Term expired 17 November 2014)	0	1
J Organ (Term expired 1 October 2014)	1	1

There have been no key changes in the composition of the board of trustees in the year, nor have there been any particular challenges that have arisen.

The terms of reference of each committee are reviewed and amended as appropriate during the year. The governors are satisfied that the current structure remains appropriate for the academy.

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The finance and premises committee is a sub-committee of the main board of governors. Its purpose is to advise the Board of Governors in accordance with the terms of reference approved by the full governing body.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
I M Fytche (Chair of Governors)	3	3
R H Brown	2	3
G R Greatwood	3	3
Cllr Mrs S Woolley	3	3
I J G Mears	3	3
J P Maddox (Accounting Officer)	3	3
R Elliot (Appointed 18 November 2014)	2	3
R J Parker	3	3

Review of value for money

As accounting officer the head teacher has responsibility for ensuring that the academy trust 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Staffing:

Recruiting the highest quality staff, teaching and non-teaching, remains a key priority of the School and considerable time and financial resource is spent on this activity. The recruitment of additional staff in English and Maths enables smaller set sizes with emphasis on all students reaching their potential through support for 'weaker' students and stretch and challenge for more able students. Resource is spent on CPD for staff with the objective of enhancing teaching and learning across the curriculum.

Non-teaching staff model is streamlined and efficient and best placed to meet the current needs of the School.

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial Governance:

Financial governance of the School is overseen by the Finance & Premises Committee in accordance with the School's finance policy. The F&P Committee meet regularly to oversee and review spending against income, preparation of annual budget, 3-year financial projections, recommendations of the Responsible Officer, compliance with guidelines published by the EFA in the Academies Financial Handbook, health & safety and matters pertaining to the upkeep and expansion of the School estate. Governor approval must be sought for non-routine items over £2000.

The School continually evaluates expenditure in all areas in order to demonstrate best value for money and to reduce expenditure where possible; an example being the continued development of the School's Management Information System and the significant savings it has generated in administration time and costs, postage and stationery costs. The Support Staff structure has been reviewed and refined over recent years to deliver increased efficiency at a reduced cost.

Risk and control:

Bourne Grammar School receives the lowest level of per pupil secondary school funding in Lincolnshire by a significant margin; £300 per pupil less than the average Lincolnshire Grammar School and £100 per pupil less than the national average secondary school. Despite this level of funding the School offers exceptional teaching and learning and offers outstanding value for money. This has only been made possible by the long-term expansion strategy that the School and Governors put in place in 2012.

The School does not have surplus income; all funding is spent on delivering exceptional teaching and learning to all our students. All resource is spent on supporting the School's vision statement.

With no surplus income, the biggest risk to the School is lack of funds for capital projects. The School has a strategic estate development plan which is used as the basis for capital bid opportunities as and when they occur. Temporary accommodation will be required if capital funding is not available.

Other risks are monitored and reviewed through the appropriate governor committees.

A Risk Register is in place and relevant risks are reviewed and updated at every committee meeting under the direction of the Chair of the committee.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bourne Grammar School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The risk and control framework

The academy trust'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 board of governors;
- regular reviews by the finance and premises 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 have decided to appoint Rawlinsons Chartered Accountants to perform the additional checks. This role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a quarterly basis, the auditor reports to the finance and premises committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

This has been delivered within EFA guidelines during the period.

Review of effectiveness

As accounting officer the head teacher 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 work of the executive managers within the academy trust 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 premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 9/12/15..... and signed on its behalf by:



I M Fytche
Chair of Governors



J P Maddox
Accounting Officer

BOURNE GRAMMAR SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Bourne Grammar School I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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.

I confirm that I and the academy trust's board of governors 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.

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

Approved on 9/12/15 and signed by:



J P Maddox
Accounting Officer

BOURNE GRAMMAR SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of governors on 9/12/15 and signed on its behalf by:



I M Fytche
Chair of Governors

BOURNE GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOURNE GRAMMAR SCHOOL

We have audited the accounts of Bourne Grammar School for the year ended 31 August 2015 set out on pages 18 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the governors, who are also the directors of Bourne Grammar School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

BOURNE GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BOURNE GRAMMAR SCHOOL

Matters on which we are required to report by exception

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

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
Rawlinsons Chartered Accountants

Chartered Accountants

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 10/12/15

BOURNE GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BOURNE GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourne Grammar School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Bourne Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bourne Grammar School's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

BOURNE GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BOURNE GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tracey Richardson BSc (Hons) FCA
Reporting Accountant
Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 14/12/15

BOURNE GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
Incoming resources	Notes					
Resources from generated funds						
- Voluntary income	2	18,930	400	-	19,330	14,896
- Activities for generating funds	3	1,411	-	-	1,411	2,201
- Investment income	4	413	-	-	413	926
Resources from charitable activities						
- Funding for educational operations	5	542,301	5,180,051	461,063	6,183,415	5,406,359
Total incoming resources		563,055	5,180,451	461,063	6,204,569	5,424,382
Resources expended						
Costs of generating funds						
- Relating to voluntary income	6	3,325	-	-	3,325	7,032
Charitable activities						
- Educational operations	7	495,105	5,177,212	249,471	5,921,788	5,739,039
Governance costs	8	-	18,412	-	18,412	17,949
Total resources expended	6	498,430	5,195,624	249,471	5,943,525	5,764,020
Net incoming/(outgoing) resources before transfers		64,625	(15,173)	211,592	261,044	(339,638)
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		64,625	(15,173)	211,592	261,044	(339,638)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(53,000)	-	(53,000)	(280,000)
Net movement in funds		64,625	(68,173)	211,592	208,044	(619,638)
Fund balances at 1 September 2014		34,993	(1,076,559)	11,542,471	10,500,905	11,120,543
Fund balances at 31 August 2015		99,618	(1,144,732)	11,754,063	10,708,949	10,500,905

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

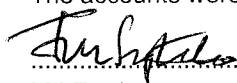
BOURNE GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	11	11,420,344	11,542,471
Current assets			
Stocks	12	-	2,865
Debtors	13	87,932	166,474
Cash at bank and in hand		772,470	409,511
		<u>860,402</u>	<u>578,850</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(326,797)	(458,416)
Net current assets		<u>533,605</u>	<u>120,434</u>
Net assets excluding pension liability		<u>11,953,949</u>	<u>11,662,905</u>
Defined benefit pension liability	18	(1,245,000)	(1,162,000)
Net assets		<u><u>10,708,949</u></u>	<u><u>10,500,905</u></u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		11,754,063	11,542,471
- General funds		100,268	85,441
- Pension reserve		(1,245,000)	(1,162,000)
Total restricted funds		<u>10,609,331</u>	<u>10,465,912</u>
Unrestricted income funds	16	<u>99,618</u>	<u>34,993</u>
Total funds		<u><u>10,708,949</u></u>	<u><u>10,500,905</u></u>

The accounts were approved by order of the board of governors and authorised for issue on 9/12/15


I M Fytche
Chair of Governors

Company Number 07850292

BOURNE GRAMMAR SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	29,138	(13,966)
Returns on investments and servicing of finance			
Investment income	413		926
Financing costs	(311)		-
Net cash inflow/(outflow) from returns on investments and servicing of finance		102	926
		29,240	(13,040)
Capital expenditure and financial investments			
Capital grants received	461,063		21,246
Payments to acquire tangible fixed assets	(127,344)		(68,939)
Net cash flow from capital activities		333,719	(47,693)
Increase/(decrease) in cash	20	362,959	(60,733)

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts, and consider this to be appropriate.

1.3 Incoming resources

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

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land is not depreciated

Freehold buildings 2% straight line

Fixtures, fittings & equipment 25% straight line

Property introduced into the Academy from the previous local authority school was transferred in at depreciated replaceable cost as per the valuation at 31 August 2012 by a professional valuer commissioned by the EFA.

Other assets transferred to the Academy on conversion have not be valued in these accounts.

The land and buildings are leased under 125 year lease.

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.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

The land and buildings from which the academy operate are leased from the Local Authority at £nil rent.

A commercial value lease of the lease has not been included in these accounts as expenditure or donated income.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.8 Taxation

The academy trust 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 trust 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.

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Fund accounting

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

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

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

Designated funds are where the governors have ring fenced unrestricted income for specific purposes.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	18,930	400	19,330	14,896

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Lettings	1,411	-	1,411	2,201

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	413	-	413	926

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	5,084,328	5,084,328	4,781,758
Capital grants	-	461,063	461,063	21,246
Other DfE / EFA grants	-	78,419	78,419	57,120
	-	5,623,810	5,623,810	4,860,124
Other government grants				
Local authority grants	-	17,304	17,304	13,733
Other funds				
Other incoming resources	542,301	-	542,301	532,502
Total funding	542,301	5,641,114	6,183,415	5,406,359

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	3,404,985	-	921,254	4,326,239	4,161,124
- Allocated support costs	733,722	413,076	448,751	1,595,549	1,577,915
	4,138,707	413,076	1,370,005	5,921,788	5,739,039
Other expenditure					
Costs of generating voluntary income	-	-	3,325	3,325	7,032
Governance costs	-	-	18,412	18,412	17,949
	-	-	21,737	21,737	24,981
Total expenditure	4,138,707	413,076	1,391,742	5,943,525	5,764,020
Net income/(expenditure) for the year includes:				2015 £	2014 £
Operating leases				86,289	75,423
- Plant and machinery					
Fees payable to auditor				9,500	9,200
- Audit				1,000	1,000
- Other services				1,875	2,500
- Supplementary checks					

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	3,383,442	3,383,442	3,164,695
Technology costs	6,351	55,991	62,342	167,722
Educational supplies and services	-	249,233	249,233	260,363
Examination fees	15,558	113,239	128,797	126,435
Staff development	-	21,543	21,543	39,592
Other direct costs	472,745	8,137	480,882	402,317
	<u>494,654</u>	<u>3,831,585</u>	<u>4,326,239</u>	<u>4,161,124</u>
Allocated support costs				
Support staff costs	-	733,722	733,722	709,276
Depreciation	-	249,471	249,471	240,259
Technology costs	-	-	-	11,719
Recruitment and support	-	63,766	63,766	51,022
Maintenance of premises and equipment	-	163,605	163,605	164,315
Cleaning	-	91,259	91,259	92,585
Energy costs	-	55,927	55,927	65,138
Other occupancy costs	-	36,595	36,595	37,316
Staff related insurance	-	53,025	53,025	55,663
Security and transport	-	198	198	165
Catering	-	20,746	20,746	19,644
Interest and finance costs	-	22,311	22,311	28,000
Other supplies and services	451	104,473	104,924	102,813
	<u>451</u>	<u>1,595,098</u>	<u>1,595,549</u>	<u>1,577,915</u>
Total costs	<u>495,105</u>	<u>5,426,683</u>	<u>5,921,788</u>	<u>5,739,039</u>

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	8,175	8,175	8,004
Auditor's remuneration				
- Audit of financial statements	-	9,500	9,500	9,200
Governors' reimbursed expenses	-	737	737	745
	<u>-</u>	<u>18,412</u>	<u>18,412</u>	<u>17,949</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	3,268,690	3,114,896
Social security costs	246,106	236,705
Other pension costs	545,242	482,610
	<u>4,060,038</u>	<u>3,834,211</u>
Supply teacher costs	57,126	39,760
Staff development and other staff costs	21,543	39,592
	<u>21,543</u>	<u>39,592</u>
Total staff costs	<u>4,138,707</u>	<u>3,913,563</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	60	60
Administration and support	32	30
Management	5	5
	<u>97</u>	<u>95</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,000 - £70,000	1	1
£90,000 - £100,000	1	1
	<u>2</u>	<u>2</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	2	2
	£	22,729	21,473
		<u>22,729</u>	<u>21,473</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

The head teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year governors expenses amounted to £737 (2014: £745).

The value of governors' remuneration was as follows:

Mr J Maddox (principal and trustee)

Remuneration £95,000 - £100,000 (2014 - £90,000 - £95,000)

Employer's pension contributions £10,000- £15,000 (2014 - £10,000- £15,000)

Ms M Armstrong (staff governor and trustee)

Remuneration £15,000 - £20,000 (2014 - £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2014 - £0 - £5,000)

Dr C Atherton (staff governor and trustee)

Remuneration £nil (2014 - £45,000 - £50,000)

Employer's pension contributions £nil (2014 - £5,000 - £10,000)

Mr N Smith (staff governor and trustee)

Remuneration £40,000 - £45,000 (2014 - £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2014 - £5,000 - £10,000)

Miss K Addison (staff governor and trustee)

Remuneration £40,000 - £45,000 (2014 - £nil)

Employer's pension contributions £5,000 - £10,000 (2014 - £nil)

Other related party transactions involving the governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 is included within total insurance costs.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets			
	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2014	12,007,858	125,555	12,133,413
Additions	124,571	2,773	127,344
At 31 August 2015	12,132,429	128,328	12,260,757
Depreciation			
At 1 September 2014	551,958	38,984	590,942
Charge for the year	217,389	32,082	249,471
At 31 August 2015	769,347	71,066	840,413
Net book value			
At 31 August 2015	11,363,082	57,262	11,420,344
At 31 August 2014	11,455,900	86,571	11,542,471
12 Stocks		2015	2014
		£	£
School uniform		-	2,865
13 Debtors		2015	2014
		£	£
VAT recoverable		1,466	1,834
Prepayments and accrued income		86,466	164,640
		87,932	166,474
14 Creditors: amounts falling due within one year		2015	2014
		£	£
Trade creditors		-	134,125
Other creditors		146,398	132,112
Accruals		45,669	41,749
Deferred income (see note 15)		134,730	150,430
		326,797	458,416

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	134,730	150,430
		<u>134,730</u>	<u>150,430</u>
	Total deferred income at 1 September 2014	150,430	123,857
	Amounts credited to the statement of financial activities	(150,430)	(123,857)
	Amounts deferred in the year	134,730	150,430
		<u>134,730</u>	<u>150,430</u>
	Total deferred income at 31 August 2015	134,730	150,430

Deferred income includes money received for school trips taking place during the next academic year and peripatetic music fees received in advance.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	-	5,084,328	(5,069,501)	-	14,827
Other DfE / EFA grants	-	78,419	(78,419)	-	-
Other government grants	-	17,304	(17,304)	-	-
Other restricted funds	85,441	400	(400)	-	85,441
	<u>85,441</u>	<u>5,180,451</u>	<u>(5,165,624)</u>	<u>-</u>	<u>100,268</u>
Funds excluding pensions	85,441	5,180,451	(5,165,624)	-	100,268
Pension reserve	(1,162,000)	-	(30,000)	(53,000)	(1,245,000)
	<u>(1,076,559)</u>	<u>5,180,451</u>	<u>(5,195,624)</u>	<u>(53,000)</u>	<u>(1,144,732)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	774,658	461,063	(47,044)	(2,773)	1,185,904
Property transferred at conversion	10,259,480	-	(192,260)	-	10,067,220
Fixed assets financed from GAG	111,189	-	(2,224)	-	108,965
Fixed assets financed from other funds	397,144	-	(7,943)	2,773	391,974
	<u>11,542,471</u>	<u>461,063</u>	<u>(249,471)</u>	<u>-</u>	<u>11,754,063</u>
Total restricted funds	<u>10,465,912</u>	<u>5,641,514</u>	<u>(5,445,095)</u>	<u>(53,000)</u>	<u>10,609,331</u>
Unrestricted funds					
General funds	34,993	563,055	(498,430)	-	99,618
	<u>34,993</u>	<u>563,055</u>	<u>(498,430)</u>	<u>-</u>	<u>99,618</u>
Total funds	<u>10,500,905</u>	<u>6,204,569</u>	<u>(5,943,525)</u>	<u>(53,000)</u>	<u>10,708,949</u>
General unrestricted funds include designated funds:					
School Fund	34,993	480,900	(476,521)	-	39,372
Balance of general funds	-	82,155	(21,909)	-	60,246
	<u>34,993</u>	<u>563,055</u>	<u>(498,430)</u>	<u>-</u>	<u>99,618</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

(Continued)

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

Restricted Fixed Asset Funds represent capital funding received from the EFA and other sources. In accordance with the accounting policies set out in note 1, assets are capitalised where applicable, and depreciation is charged to this fund over the assets' useful economic life. Where costs are not capital in nature they are charged directly to this fund as an expense.

The restricted grant income in the year all relates to the provision of education for the children of the School.

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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

The Bourne Educational Foundation donation is to be spent on new astro pitches at the School in the future.

The School Fund is designated by the governors for the use in a variety of different areas including school trips, peripatetic music and school uniform.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	11,420,344	11,420,344
Current assets	253,239	273,444	333,719	860,402
Creditors falling due within one year	(153,621)	(173,176)	-	(326,797)
Defined benefit pension liability	-	(1,245,000)	-	(1,245,000)
	<u>99,618</u>	<u>(1,144,732)</u>	<u>11,754,063</u>	<u>10,708,949</u>

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £66,731 (2014: £60,118) were payable to the schemes at 31 August 2015 and are included within creditors.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

Not less than every four years 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £353,261 (2014 - £328,138).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.1% for employers and 5.5 and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £178,000.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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.

Contributions made	2015 £	2014 £
Employer's contributions	184,000	119,000
Employees' contributions	44,000	38,000
Total contributions	228,000	157,000

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.0	3.9
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.7
Inflation assumption (CPI)	3.7	5.8

<u>Change in assumptions at 31 August 2015</u>	Approximate % increase to Employer Liability	Approximate monetary amount
0.5% decrease in Real Discount Rate	12%	£292,000
1 year increase in member life expectancy	3%	£72,000
0.5% increase in Salary Increase Rate	5%	£130,000
0.5% increase in the Pension Increase Rate	6%	£154,000

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

	2015 Years	2014 Years
Retiring today		
- Males	22	22
- Females	24	24
Retiring in 20 years		
- Males	25	25
- Females	27	27

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.7	857,000	6.3	679,000
Bonds	3.7	148,000	3.6	116,000
Property	3.7	137,000	4.5	98,000
Total market value of assets		1,142,000		893,000
Present value of scheme liabilities - funded		(2,387,000)		(2,055,000)
Net pension asset / (liability)		(1,245,000)		(1,162,000)

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	192,000	154,000
Past service cost	-	-
Total operating charge	192,000	154,000
Finance costs/(income)		
Expected return on pension scheme assets	(58,000)	(43,000)
Interest on pension liabilities	80,000	71,000
Net finance costs/(income)	22,000	28,000
Total charge/(income)	214,000	182,000

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	34,000	(72,000)
Experience (gains)/losses on liabilities	19,000	352,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	53,000	280,000
Cumulative (gains)/losses to date	(245,000)	(298,000)

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(2,055,000)	(1,442,000)
Current service cost	(192,000)	(154,000)
Interest cost	(80,000)	(71,000)
Contributions by employees	(44,000)	(38,000)
Actuarial gains/(losses)	(19,000)	(352,000)
Benefits paid	3,000	2,000
At 31 August 2015	<u>(2,387,000)</u>	<u>(2,055,000)</u>

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	893,000	623,000
Expected return on assets	58,000	43,000
Actuarial gains/(losses)	(34,000)	72,000
Contributions by employers	184,000	119,000
Contributions by employees	44,000	38,000
Benefits paid	(3,000)	(2,000)
At 31 August 2015	<u>1,142,000</u>	<u>893,000</u>

History of experience gains and losses

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(2,387,000)	(2,055,000)	(1,442,000)	(1,195,000)
Fair value of share of scheme assets	1,142,000	893,000	623,000	418,000
Surplus / (deficit)	<u>(1,245,000)</u>	<u>(1,162,000)</u>	<u>(819,000)</u>	<u>(777,000)</u>
Experience adjustment on scheme assets	(34,000)	72,000	46,000	10,000
Experience adjustment on scheme liabilities	<u>(19,000)</u>	<u>(352,000)</u>	<u>(33,000)</u>	<u>(41,000)</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

	2015 £	2014 £
Net income	261,044	(339,638)
Capital grants and similar income	(461,063)	(21,246)
Investment income	(413)	(926)
Financing costs	311	-
Defined benefit pension costs less contributions payable	8,000	35,000
Defined benefit pension finance costs/(income)	22,000	28,000
Depreciation of tangible fixed assets	249,471	240,259
(Increase)/decrease in stocks	2,865	3,581
(Increase)/decrease in debtors	78,542	7,387
Increase/(decrease) in creditors	(131,619)	33,617
Net cash inflow/(outflow) from operating activities	29,138	(13,966)

20 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	362,959	(60,733)
Net funds at 1 September 2014	409,511	470,244
Net funds at 31 August 2015	772,470	409,511

21 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	409,511	362,959	-	772,470

22 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	71,620	12,192
- Between two and five years	64,856	94,829
	136,476	107,021

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Related parties

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

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

The Bourne Education Foundation, in which all of the trustees are governors at the school, has gifted £121 (2014 - £121) to the school for prizes on the student Speech night.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

No individual has a controlling interest in the charitable company.