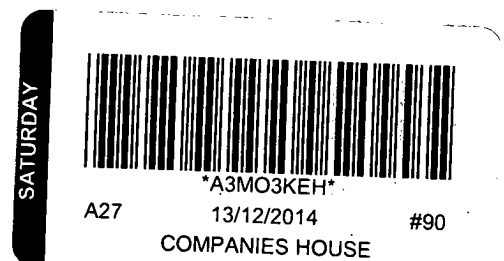


**Barton Court Grammar School Academy**  
(A company limited by guarantee)

**Trustees' report and financial statements**

**For the year ended 31 August 2014**



---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Contents**

---

|   | Page    |
|---|---------|
| <b>Reference and administrative details of the academy, its trustees and advisers</b> | 1       |
| <b>Trustees' report</b>   | 2 - 6   |
| <b>Governance statement</b>   | 7 - 8   |
| <b>Statement on regularity, propriety and compliance</b>                              | 9       |
| <b>Trustees' responsibilities statement</b>   | 10      |
| <b>Independent auditors' report</b>   | 11 - 12 |
| <b>Independent reporting accountant's assurance report on regularity</b>              | 13 - 14 |
| <b>Statement of financial activities</b>  | 15      |
| <b>Balance sheet</b>  | 16      |
| <b>Cash flow statement</b>  | 17      |
| <b>Notes to the financial statements</b>  | 18 - 33 |

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Reference and administrative details of the academy trust, its trustees and advisers**  
**For the year ended 31 August 2014**

---

|  |  |
|--|--|
| <b>Members</b>                         | Dr. P. Klappa<br>Dr. W. Speed<br>Mr. E. Gladdish (deceased 21 September 2014)<br>Mrs. V. Elgar (appointed 25 September 2014)   |
| <b>Trustees</b>                        | Dr. P. Klappa, Chair of Trustees to 25 September 2014<br>Ms. K. Cardus, Head Teacher <sup>1</sup><br>Mrs. F. Beaton<br>Mr. M. Blake, Staff Trustee <sup>1</sup><br>Ms. S. Cook<br>Mrs. V. Elgar, Chair of Finance Committee <sup>1</sup><br>Ms. V. Evans<br>Mr. E. Gladdish (deceased 21 September 2014) <sup>1</sup><br>Dr. A. Long (resigned 14 September 2014) <sup>1</sup><br>Dr. W. Speed, Chair of Trustees from 25 September 2014<br>Miss. E. Triffault (appointed 10 October 2013) <sup>1</sup><br>Miss. F. Adam (appointed 23 January 2014) <sup>1</sup><br><br><sup>1</sup> members of the Finance Committee |
| <b>Company registered number</b>       | 07711925   |
| <b>Principal and registered office</b> | Barton Court Grammar School<br>Longport<br>Canterbury<br>Kent<br>CT1 1PH   |
| <b>Company secretary</b>               | Mrs. V. Elgar  |
| <b>Senior management team</b>          | Ms. K. Cardus, Head Teacher<br>Mr. R. Morgan, Deputy Head Teacher<br>Mr. J. Fairfax, Deputy Head Teacher<br>Mr. A. Whatley, Assistant Head Teacher until 31 August 2014<br>Mrs. C. Benard - Grosso, Assistant Head Teacher from 1 September 2014<br>Miss. A. Haley, Assistant Head Teacher<br>Mrs. T. Swift, Finance Manager   |
| <b>Independent auditors</b>            | UHY Kent LLP t/a UHY Hacker Young<br>Chartered Accountants and<br>Statutory Auditors<br>Thames House<br>Roman Square<br>Sittingbourne<br>Kent<br>ME10 4BJ  |
| <b>Bankers</b>                         | Nat West Bank plc<br>11 The Parade<br>Canterbury<br>Kent<br>CT1 2SQ  |

---

## **Barton Court Grammar School Academy**

### **(A company limited by guarantee)**

---

#### **Trustees' report**

#### **For the year ended 31 August 2014**

---

The trustees present their annual report and auditors' report of the academy trust for the year ended 31 August 2014.

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

#### **Constitution**

The academy trust was incorporated on 20 July 2011 as a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Barton Court Grammar School Academy are also the directors of the academy trust for the purposes of company law.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

Each member of the academy trust undertakes to contribute to the assets of the academy trust in the event of it being wound up whilst 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.

#### **Trustees' indemnities**

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

#### **Method of recruitment and appointment or election of trustees**

Under the terms of its Articles, the academy trust shall have the following trustees:

- The number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum;
- The Members may appoint up to 10 trustees;
- Parent trustees to be elected by parents of registered pupils at the academy trust;
- The total number of staff trustees, including the Head teacher, should not exceed one third of the total number of trustees;
- The Head Teacher shall be treated for all purposes as being an ex officio trustee; and
- The trustees may appoint up to 3 Co-opted trustees.
- Trustees are recruited based upon an identified skill set need.

The members may not appoint any trustees unless the total number of trustees is less than three, in which case the members may make the appropriate appointments, in accordance with the Articles.

A trustees' term of office is four years (excluding the Head teacher) but a trustees is eligible for re-election at the meeting at which they retire.

Appropriate training is provided to all new trustees, as required.

#### **Policies and procedures adopted for the induction and training of trustees**

During the year under review the Full Governing Body met 8 times and there were 14 committee meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees will be given a tour of the school and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a period, induction tends to be done informally and is tailored specifically to the individual.

---

## **Barton Court Grammar School Academy**

### **(A company limited by guarantee)**

---

#### **Trustees' report (continued)**

##### **For the year ended 31 August 2014**

---

#### **Organisation structure**

The organisational structure consists of three levels: the trustees, The Senior Leadership Team (including the extended Senior Leadership Team which includes Learning Directors) and Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The Senior Leadership Team comprises the Head teacher, two Deputy Head teachers and two Assistant Head teachers. This group oversees the strategic management of the academy trust implementing policies and plans set by the Governing Body. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The appointment board for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Middle Management Team within a set budget.

The Middle Management Team includes Curriculum Leaders, Heads of Year and Lead Practitioners. Along with the Senior Management Team these managers are responsible for the day to day operation of the academy trust, in particular organising the teaching staff, support staff, facilities and students.

#### **Risk management**

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

#### **Connected organisations, including related parties**

Barton Court Grammar School is a strategic partner in the New Horizons Teaching School Alliance and works with this organisation and the many schools affiliated with this organisation including the Thinking Schools Academy Trust (TSAT) to provide school-to-school support and staff training to aid school improvement. The School has a Parent Teacher Association, Barton Court Association, who are not a registered charity which organises various fundraising events to provide facilities for the pupils of Barton Court Grammar School.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

The principal object of the academy trust is the operation of Barton Court Grammar School Academy to provide education for pupils of selective ability between the ages of 11 and 19.

#### **Objective, strategies and activities**

The main objectives of the academy trust during the year ended 31 August 2014 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- and some weekend activities;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The academy trust's main strategy is encompassed in its mission statement which is "SUPPORT, INSPIRE, ACHIEVE".

The academy trust produces an annual Academy Development Plan, which details how it intends to achieve the aims and objectives for the period. The activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs; and
- a careers advisory service to help students obtain employment or move on to higher education.

---

## **Barton Court Grammar School Academy**

### **(A company limited by guarantee)**

---

#### **Trustees' report (continued)**

#### **For the year ended 31 August 2014**

---

##### **Public benefit**

Barton Court is a state funded Grammar School and strives to promote and support the advancement of education within East Kent. In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, but believe that the academy trust's educational aims are demonstrably to the public benefit.

The School also aims to contribute to the benefit of the wider public wherever possible, and in particular the School raises funds for various local and national charities each year.

Our students volunteer their time for a variety of events and organisations. Their voluntary activities may count as hours towards their IB CAS requirement, the AQA Bacc enrichment component, or the Duke of Edinburgh scheme. Additionally, they may support applications for further work or study. In recent years, the events and organisations have included:

**Charities:** Action on Hearing Loss, Age Concern, Barnardo's, British Heart Foundation, British Legion, Burgate Books (Pilgrim's Hospice), Cancer Research UK, Children in Need, East Kent Mencap, Fifth Trust Day Centre, Kent Wildlife Trust, RSPB, Sense, SNAAP (Special Needs Activities and Advisory Service), and VSU.

**First aid and medical care:** British Red Cross Peer Education, Headway, Pilgrim's Hospice, Queen Elizabeth the Queen Mother Hospital (A&E department), St John Ambulance, St Martin's Hospital, Strode Park, and veterinary practices.

**Sporting organisations:** British Rhythmic Gymnastics Team, Canterbury Golf Club, City of Canterbury Swimming Club, Great Britain Ultimate Frisbee Team, Herne Bay Sailing Club, and Kent County Cricket Club.

**Cultural events and organisations:** Anifest, Beaney Art Museum and Library, Canterbury Festival, Diamond Jubilee Charity Gala, Horsebridge Arts and Community Centre, Model United Nations Conference, and the Royal Court Theatre.

**Working with children and young people:** Beavers, Brownies, Cubs, Duke of Edinburgh Award, Girl Guides, Kent Youth Council, Language Leaders Award, Messy Church, and Scouts. Additionally, our students have assisted in a wide range of local primary, infant and nursery schools, and in youth clubs.

**Other organisations:** CCCU, Chatham Historic Dockyard, Kent County Council, Mid-Kent College, and UKC.

##### **Equal opportunities**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

##### **Disabled persons**

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the ground floor areas of the academy trust buildings. Lifts enable wheelchair access to the majority of the first floor areas of the academy trust buildings. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment, by making support resources available and through training and career development.

## **STRATEGIC REPORT**

### **Achievements and performance**

The trustees were very pleased with the main academic achievement in the year which can be summarised as follows:

- The School was inspected by Ofsted in March 2014 and was graded as "Outstanding".
- In Year 13, 100% of students passed the International Baccalaureate Diploma;
- The International Baccalaureate average Diploma score was 34.1
- In Year 11, 50% of grades at GCSE were at A \*/ A; and
- 97% of Academy students achieved five plus A \* - C, including English and Mathematics.

### **Going concern**

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

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Trustees' report (continued)**  
**For the year ended 31 August 2014**

---

**Key financial performance indicators**

The trustees consider that the following are key performance indicators for the academy trust:

- The School to maintain its "Outstanding" status by Ofsted
- Percentage of income received from EFA spent on teaching staff;
- Percentage of income received from EF A spent on total staff costs;
- Pupils numbers (leading directly to EF A funding level); and
- General financial stability - aim for expenditure to match income each year.

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the year.

**Financial review**

Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2014, total expenditure of £4.43m exceeded total incoming resources of £4.42m leaving an excess of expenditure over income of £6,676, before actuarial movements on defined benefit pension schemes. The actuarial gain on the Local Government Pension Scheme ("LGPS") of £131k, part of a total decrease in the pension liability of £96,000, resulted in an overall net increase in funds of £124k.

It should be noted that this deficit also includes depreciation of £243k, a non-cash movement on the restricted fixed asset fund to write down capital items, most of which comprises the depreciation of the school buildings inherited on conversion.

Costs of charitable activities includes the non-actuarial movement on the LGPS liability of £35k. Before depreciation and LGPS movements the surplus for the year would have been of £272k.

At 31 August 2014, the net book value of fixed assets was £5.6m and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used exclusively for providing education and the associated support services to the pupils of the academy.

**Financial position**

The Academy held fund balances at 31 August 2014 of £5.6m. These funds comprised restricted fixed asset funds of £5.6m, other restricted funds of £346k and unrestricted funds of £271k.

There is also a pension reserve deficit of £569k. This is the only fund in deficit at 31 August 2014, and this deficit does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the Academy have been fixed for the three years from 1 April 2014.

**Financial and risk management objectives and policies**

The academy trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The main financial risks that the academy trust is exposed to are liquidity risk and cash flow interest rate risk, as explained below.

*Liquidity risk* - The trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

*Interest rate risk* - the trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

*Credit risk* arises from the possibility that amounts owed to the trust will not be repaid. The trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Trustees' report (continued)**  
**For the year ended 31 August 2014**

---

**Principal risks and uncertainties**

The main risks that the academy is exposed to is summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

*Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service. Competition from other schools with similar objects and little scope for differentiation. Also includes the capacity of existing buildings to deliver teaching and learning to students.

*Finance risk* - The risk of the Academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation (especially for 6th form pupils) over the coming years. There are also in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the Academy is required to pay.

**Reserves policy**

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

**PLANS FOR FUTURE PERIODS**

The trustees' main plans for future periods are:

- to become an accredited Thinking School; As a Strategic Partner in the New Horizons Thinking School Alliance continue to support other schools to aid improvement.
- to investigate options to improve the facilities on the current site and the ability to expand to 5 forms of entry in the longer term.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps 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.

**AUDITORS**

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the trustees, as the company directors, on 3 December 2014 and signed on the board's behalf by:

X W. Speed X

Dr. W. Speed  
Chair of Trustees



---

## **Barton Court Grammar School Academy**

### **(A company limited by guarantee)**

---

#### **Governance Statement**

---

##### **Scope of responsibility**

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

The trustees has delegated the day-to-day responsibility to the Head Teacher, Ms. Cardus, 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 Barton Court Grammar School Academy and the Secretary of State for Education. They are also responsible for reporting to the trustees any material weaknesses or breakdowns in internal control.

##### **Governance**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The trustees has formally met 8 times during the year. Attendance during the year at meetings of the trustees was as follows:

| Trustee            | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Dr. P. Klappa      | 8                 | 8                 |
| Dr. W. Speed       | 8                 | 8                 |
| Mr. E. Gladdish    | 3                 | 8                 |
| Mrs. V. Elgar      | 8                 | 8                 |
| Ms. K. Cardus      | 8                 | 8                 |
| Mrs. F. Beaton     | 4                 | 8                 |
| Mr. M. Blake       | 8                 | 8                 |
| Ms. S. Cook        | 8                 | 8                 |
| Ms. V. Evans       | 7                 | 8                 |
| Dr. A. Long        | 7                 | 8                 |
| Miss. E. Triffault | 5                 | 6                 |
| Miss. F. Adam      | 5                 | 5                 |

The establishment of Barton Court Grammar School Academy in August 2011 required the trustees to select, appoint and develop a skilled and balanced governing body. During the year the trust appointed a qualified accountant, Miss. F. Adam, to strengthen the financial knowledge and expertise of the board. Since the year end Dr. Klappa has retired from his role as Chair of Trustees, although he remains on the board. Dr. Speed has been appointed Chair of Trustees with effect from 25 September 2014.

##### **Governance reviews:**

The School was inspected by Ofsted in March 2014 and was graded as "Outstanding" in each category and "Outstanding" overall. Leadership and Management, including Governance, was graded as "Outstanding". The trust intends to conduct a self-evaluation of Governance within the next academic year.

The Finance Committee is a sub-committee of the main trustees. Its purpose is to monitor the financial management of the school on behalf of the Governing Body, and its remit also includes the functions of an audit committee. During the year the Finance Committee has reviewed the trust's financial policies, looked into implementing a new improved finance system, and generally monitored budgets and reviewed the three-year plan. No major new contracts have been entered into during the year.

##### **Attendance at meetings in the year was as follows:**

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Ms. K. Cardus, Head Teacher                         | 4                 | 4                 |
| Mr. E. Gladdish                                     | 0                 | 4                 |
| Mr. M. Blake  | 4                 | 4                 |
| Mrs. V. Elgar, Chair of Finance Committee           | 4                 | 4                 |
| Dr. A. Long   | 3                 | 4                 |
| Miss. F. Adam                                       | 2                 | 2                 |
| And: Dr. P. Klappa in capacity as Chair of Trustees | 4                 | 4                 |

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Governance Statement (continued)**

---

**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 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 Barton Court Grammar School Academy for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The trustees 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 trustees 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 year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees.

**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 trustees;
- regular reviews by the Finance 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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed UHY Hacker Young, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the auditors report to the trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

During the year ended 31 August 2014, the internal control function has been fully delivered in line with the requirements of the Education Funding Agency, and no significant issues have been reported to the trustees.

**Review of effectiveness**

As Accounting Officer, the Head Teacher, Ms. Cardus 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 external auditors;
- the financial management and governance self-assessment process;
- 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 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 trustees on 3 December 2014 and signed on its behalf, by:

  
**Dr. W. Speed**  
Chair of Trustees

  
**Ms. K. Cardus**  
Accounting Officer

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Statement on Regularity, Propriety and Compliance**

---

As Accounting Officer of Barton Court Grammar School Academy I have considered my responsibility to notify the academy trust trustees 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy trust 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 (2013).

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 trustees and EFA.

x 

**Ms. K. Cardus**  
Accounting Officer

Date: 3 December 2014

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Trustees' responsibilities statement**  
**For the year ended 31 August 2014**

---

The trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 academy trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the academy trust 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 EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust'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 trustees on 3 December 2014 and signed on its behalf by:

  
Dr. W. Speed  
Chair of Trustees

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Independent auditors' report to the Board of trustees of Barton Court Grammar School Academy**

---

We have audited the financial statements of Barton Court Grammar School Academy for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Independent auditors' report to the Board of trustees of Barton Court Grammar School Academy**

---

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



Allan Hickie BSc FCA (Senior statutory auditor)  
for and on behalf of

**UHY Kent LLP**  
Chartered Accountants and  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: 5 December 2014

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Independent reporting accountants' assurance report on regularity to Barton Court Grammar School Academy and the Education Funding Agency**

---

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barton Court Grammar School Academy during the year 1 September 2013 to 31 August 2014 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 Barton Court Grammar School Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barton Court Grammar School Academy and 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 Barton Court Grammar School Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Barton Court Grammar School Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Barton Court Grammar School Academy's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of the Barton Court Grammar School Academy for the year ended 31 August 2014 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Independent reporting accountants' assurance report on regularity to Barton Court Grammar School Academy 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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*UHY Kent LLP*

Allan R. Hickie BSc FCA  
for and on behalf of

**UHY Kent LLP**  
Chartered Accountants and  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: *5 December 2014*



**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Statement of financial activities**  
**(incorporating income and expenditure account and statement of total recognised gains and losses)**  
**For the year ended 31 August 2014**

|   | Note | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Restricted<br>fixed asset<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>Incoming resources</b>                                     |      |                                    |                                  |   |                             |                             |
| Incoming resources from generated funds:                      |      |                                    |                                  |   |                             |                             |
| Voluntary income  | 2    | 30                                 | -                                | -   | 30                          | -                           |
| Activities for generating funds                               | 3    | 40,192                             | 238,540                          | -   | 278,732                     | 306,375                     |
| Investment income   | 4    | 3,950                              | -                                | -   | 3,950                       | 6,273                       |
| Incoming resources from charitable activities                 | 5    | -                                  | 4,118,286                        | 17,905  | 4,136,191                   | 4,085,005                   |
| <b>Total incoming resources</b>                               |      | <b>44,172</b>                      | <b>4,356,826</b>                 | <b>17,905</b>                                   | <b>4,418,903</b>            | <b>4,397,653</b>            |
| <b>Resources expended</b>                                     |      |                                    |                                  |   |                             |                             |
| Costs of activities for generating funds                      | 6    | 19,655                             | 205,684                          | -   | 225,339                     | 280,357                     |
| Charitable activities   | 7    | 3,565                              | 3,904,344                        | 243,307   | 4,151,216                   | 4,065,491                   |
| Governance costs  | 8    | -                                  | 49,024                           | -   | 49,024                      | 52,279                      |
| <b>Total resources expended</b>                               | 9    | <b>23,220</b>                      | <b>4,159,052</b>                 | <b>243,307</b>                                  | <b>4,425,579</b>            | <b>4,398,127</b>            |
| <b>Net incoming / (outgoing) resources before transfers</b>   |      | <b>20,952</b>                      | <b>197,774</b>                   | <b>(225,402)</b>                                | <b>(6,676)</b>              | <b>(474)</b>                |
| Transfers between Funds                                       | 17   | -                                  | (71,830)                         | 71,830  | -                           | -                           |
| <b>Net expenditure for the year</b>                           |      | <b>20,952</b>                      | <b>125,944</b>                   | <b>(153,572)</b>                                | <b>(6,676)</b>              | <b>(474)</b>                |
| Actuarial gains and losses on defined benefit pension schemes |      | -                                  | 131,000                          | -   | 131,000                     | (22,000)                    |
| <b>Net movement in funds for the year</b>                     |      | <b>20,952</b>                      | <b>256,944</b>                   | <b>(153,572)</b>                                | <b>124,324</b>              | <b>(22,474)</b>             |
| <i>Total funds at 1 September 2013</i>                        |      | <i>249,856</i>                     | <i>(479,691)</i>                 | <i>5,737,094</i>                                | <i>5,507,259</i>            | <i>5,529,733</i>            |
| <b>Total funds at 31 August 2014</b>                          |      | <b>270,808</b>                     | <b>(222,747)</b>                 | <b>5,583,522</b>                                | <b>5,631,583</b>            | <b>5,507,259</b>            |

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

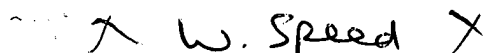
The notes on pages 18 to 33 form part of these financial statements.

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**  
**Registered number: 07711925**

**Balance sheet**  
**As at 31 August 2014**

|   | Note | £         | 2014<br>£ | £         | 2013<br>£ |
|---|------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |           |           |
| Tangible assets                                       | 14   |           | 5,583,522 |           | 5,737,094 |
| <b>Current assets</b>                                 |      |           |           |           |           |
| Debtors   | 15   | 75,425    |           | 38,373    |           |
| Cash at bank and in hand                              |      | 602,745   |           | 437,841   |           |
|   |      |           | 678,170   |           | 476,214   |
| <b>Creditors: amounts falling due within one year</b> | 16   | (61,109)  |           | (41,049)  |           |
| <b>Net current assets</b>                             |      |           | 617,061   |           | 435,165   |
| <b>Total assets less current liabilities</b>          |      |           | 6,200,583 |           | 6,172,259 |
| Defined benefit pension scheme liability              | 22   |           | (569,000) |           | (665,000) |
| <b>Net assets including pension scheme liability</b>  |      |           | 5,631,583 |           | 5,507,259 |
| <b>Funds of the academy</b>                           |      |           |           |           |           |
| Restricted funds :                                    |      |           |           |           |           |
| General Annual Grant Fund                             | 17   | 158,849   |           | 35,032    |           |
| Other restricted funds                                | 17   | 187,404   |           | 150,277   |           |
| Restricted fixed asset funds                          | 17   | 5,583,522 |           | 5,737,094 |           |
| Restricted funds excluding pension liability          |      | 5,929,775 |           | 5,922,403 |           |
| Pension reserve                                       |      | (569,000) |           | (665,000) |           |
| Total restricted funds                                |      |           | 5,360,775 |           | 5,257,403 |
| Unrestricted funds                                    | 17   |           | 270,808   |           | 249,856   |
| <b>Total funds</b>                                    |      |           | 5,631,583 |           | 5,507,259 |

The financial statements were approved by the trustees, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:



**Dr. W. Speed**  
Chair of Trustees

The notes on pages 18 to 33 form part of these financial statements.

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Cash flow statement**  
**For the year ended 31 August 2014**

|   | <b>Note</b> | <b>2014<br/>£</b> | <b>2013<br/>£</b> |
|---|-------------|-------------------|-------------------|
| Net cash flow from operating activities         | 19          | 232,785           | 92,114            |
| Returns on investments and servicing of finance | 20          | 3,950             | 6,273             |
| Capital expenditure and financial investment    | 20          | (71,831)          | (87,819)          |
| <b>Increase in cash in the year</b>             |             | <b>164,904</b>    | <b>10,568</b>     |

**Reconciliation of net cash flow to movement in net funds**  
**For the year ended 31 August 2014**

|  | <b>2014<br/>£</b> | <b>2013<br/>£</b> |
|--|-------------------|-------------------|
| Increase in cash in the year             | 164,904           | 10,568            |
| <b>Movement in net funds in the year</b> | <b>164,904</b>    | <b>10,568</b>     |
| Net funds at 1 September 2013            | 437,841           | 427,273           |
| <b>Net funds at 31 August 2014</b>       | <b>602,745</b>    | <b>437,841</b>    |

The notes on pages 18 to 33 form part of these financial statements.

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Notes to the financial statements**  
**For the year ended 31 August 2014**

---

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 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 trustees.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 Incoming resources**

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

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.

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.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Notes to the financial statements**  
**For the year ended 31 August 2014**

---

**1. Accounting policies (continued)**

**1.4 Resources expended**

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

Charitable activities are costs incurred in the academy trust's educational operations.

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

**1.5 Going concern**

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised. The threshold of £1,000 may be achieved through an individual purchase or a group of purchases where the assets are purchased as part of one original purchase order.

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 are 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.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

|                                  |   |        |
|----------------------------------|---|--------|
| Freehold property                | - | 2%     |
| Fixtures, fittings and equipment | - | 15-25% |
| Computer equipment               | - | 33.33% |

**1.7 Operating leases**

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

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**1. Accounting policies (continued)**

**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**

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 22, 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 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 the 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 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.

**2. Voluntary income**

|           | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 30                                 | -                                | 30                          | -                           |

**3. Activities for generating funds**

|                       | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Voluntary fund income | -                                  | 238,540                          | 238,540                     | 287,507                     |
| Other income          | 40,192                             | -                                | 40,192                      | 18,868                      |
|                       | 40,192                             | 238,540                          | 278,732                     | 306,375                     |

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**4. Investment income**

|                     | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|---------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Short term deposits | 3,950                              | -                                | 3,950                       | 6,273                       |

**5. Funding for Academy's educational operations**

|                                    | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/EFA capital grants</b>      |                                    |                                  |                             |                             |
| Devolved formula capital grant     | -                                  | 17,905                           | 17,905                      | 28,690                      |
| Academies Capital Maintenance Fund | -                                  | -                                | -                           | 54,503                      |
|                                    | -                                  | 17,905                           | 17,905                      | 83,193                      |
| <b>DfE/EFA revenue grants</b>      |                                    |                                  |                             |                             |
| General Annual Grant (GAG)         | -                                  | 3,893,689                        | 3,893,689                   | 3,928,285                   |
| Other DfE/EFA grants               | -                                  | 79,185                           | 79,185                      | 52,419                      |
|                                    | -                                  | 3,972,874                        | 3,972,874                   | 3,980,704                   |
| <b>Other funding</b>               |                                    |                                  |                             |                             |
| Other government grants            | -                                  | 145,412                          | 145,412                     | 21,108                      |
|                                    | -                                  | 145,412                          | 145,412                     | 21,108                      |
|                                    | -                                  | 4,136,191                        | 4,136,191                   | 4,085,005                   |

**6. Costs of activities for generating funds**

|                                | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Allocated support costs        | 5,847                              | -                                | 5,847                       | 5,815                       |
| Voluntary fund                 | -                                  | 205,684                          | 205,684                     | 262,376                     |
| Allocated administrative costs | 13,808                             | -                                | 13,808                      | 12,166                      |
|                                | 19,655                             | 205,684                          | 225,339                     | 280,357                     |

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**7. Charitable activities**

|   | <b>Total<br/>funds<br/>2014<br/>£</b> | <b>Total<br/>funds<br/>2013<br/>£</b> |
|---|---------------------------------------|---------------------------------------|
| <b>Direct costs - educational operations</b>  |                                       |                                       |
| Wages and salaries                            | 2,284,502                             | 2,266,479                             |
| National insurance                            | 168,668                               | 167,244                               |
| Pension cost                                  | 256,080                               | 254,060                               |
| Depreciation                                  | 231,142                               | 181,296                               |
| Books, apparatus and stationery               | 181,367                               | 162,954                               |
| Examination fees                              | 93,373                                | 107,915                               |
| Staff development                             | 17,974                                | 17,907                                |
| Educational consultancy                       | 19,857                                | 15,048                                |
|   | <b>3,252,963</b>                      | <b>3,172,903</b>                      |
| <b>Support costs - educational operations</b> |                                       |                                       |
| Wages and salaries                            | 207,845                               | 234,710                               |
| National insurance                            | 26,688                                | 30,138                                |
| Pension cost                                  | 121,902                               | 127,547                               |
| Depreciation                                  | 12,165                                | 9,542                                 |
| Recruitment and support                       | 31,731                                | 21,010                                |
| Maintenance of premises and equipment         | 69,465                                | 64,969                                |
| Cleaning and refuse collection                | 79,604                                | 79,130                                |
| Rent and rates                                | 38,520                                | 32,108                                |
| Heat and light                                | 45,339                                | 56,412                                |
| Insurance                                     | 36,315                                | 35,749                                |
| Security                                      | 3,624                                 | 6,750                                 |
| Transport                                     | 1,721                                 | 2,008                                 |
| Technology costs                              | 76,881                                | 72,034                                |
| Bank interest and charges                     | 681                                   | 678                                   |
| Bought in professional services               | 49,232                                | 22,773                                |
| Catering                                      | 14,718                                | 19,325                                |
| Other support costs                           | 81,822                                | 77,705                                |
|   | <b>898,253</b>                        | <b>892,588</b>                        |
|   | <b>4,151,216</b>                      | <b>4,065,491</b>                      |

**8. Governance costs**

|                                | <b>Unrestricted<br/>funds<br/>2014<br/>£</b> | <b>Restricted<br/>funds<br/>2014<br/>£</b> | <b>Total<br/>funds<br/>2014<br/>£</b> | <b>Total<br/>funds<br/>2013<br/>£</b> |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|
| Auditors' remuneration         | -  | 7,245                                      | 7,245                                 | 7,120                                 |
| Auditors' non audit costs      | -  | 2,746                                      | 2,746                                 | 5,005                                 |
| Legal and professional fees    | -  | 5,571                                      | 5,571                                 | 10,006                                |
| Allocated support costs        | -  | 5,847                                      | 5,847                                 | 5,815                                 |
| Allocated clerical staff costs | -  | 27,615                                     | 27,615                                | 24,333                                |
|                                | <b>-</b>                                     | <b>49,024</b>                              | <b>49,024</b>                         | <b>52,279</b>                         |



**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**9. Resources expended**

|  | Staff costs | Non Pay Expenditure |             | Total     | Total     |
|--|-------------|---------------------|-------------|-----------|-----------|
|  | 2014        | Premises            | Other costs | 2014      | 2013      |
|  | £           | 2014                | 2014        | £         | £         |
| Costs of generating funds                | 13,808      | -                   | 211,531     | 225,339   | 280,357   |
| <b>Academy's educational operations:</b> |             |                     |             |           |           |
| Direct costs                             | 2,709,250   | 231,142             | 312,571     | 3,252,963 | 3,172,903 |
| Support costs                            | 356,435     | 211,029             | 330,789     | 898,253   | 892,588   |
|  | 3,065,685   | 442,171             | 643,360     | 4,151,216 | 4,065,491 |
| <b>Governance</b>                        | 27,615      | -                   | 21,409      | 49,024    | 52,279    |
|  | 3,107,108   | 442,171             | 876,300     | 4,425,579 | 4,398,127 |

**10. Net incoming / (outgoing) resources**

This is stated after charging:

|   | 2014    | 2013    |
|---|---------|---------|
|   | £       | £       |
| Depreciation of tangible fixed assets:    |         |         |
| - owned by the academy trust              | 243,308 | 190,838 |
| Auditors' remuneration                    | 7,245   | 7,120   |
| Auditors' remuneration - non-audit        | 2,746   | 5,005   |
| Loss on disposal of tangible fixed assets | -       | 2,025   |
| Operating lease rentals                   | 19,309  | 43,146  |

**11. Staff**

**a. Staff costs**

Staff costs were as follows:

|                       | 2014      | 2013      |
|-----------------------|-----------|-----------|
|                       | £         | £         |
| Wages and salaries    | 2,497,228 | 2,489,354 |
| Social security costs | 195,356   | 197,382   |
| Pension costs         | 377,982   | 381,607   |
|                       | 3,070,566 | 3,068,343 |
| Supply teacher costs  | 10,392    | 31,334    |
| Compensation payments | 26,150    | 17,000    |
|                       | 3,107,108 | 3,116,677 |

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Notes to the financial statements**  
**For the year ended 31 August 2014**

---

**11. Staff (continued)**

**b. Staff severance payments**

Included in compensation payments are individual payments made under compromise/severance agreements for £15,700 and £10,450.

**c. Staff numbers**

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

|                            | <b>2014</b> | <b>2013</b> |
|----------------------------|-------------|-------------|
|                            | <b>No.</b>  | <b>No.</b>  |
| Teachers                   | 48          | 50          |
| Administration and support | 22          | 22          |
| Management                 | 5           | 5           |
|                            | <hr/>       | <hr/>       |
|                            | 75          | 77          |
|                            | <hr/>       | <hr/>       |

**d. Higher paid staff**

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

|                                  | <b>2014</b> | <b>2013</b> |
|----------------------------------|-------------|-------------|
|                                  | <b>No.</b>  | <b>No.</b>  |
| In the band £ 60,001 - £ 70,000  | 0           | 1           |
| In the band £ 90,001 - £ 100,000 | 1           | 1           |
|                                  | <hr/>       | <hr/>       |
|                                  | 1           | 2           |
|                                  | <hr/>       | <hr/>       |

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £13,716 (2013: £21,648).

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**12. Trustees' remuneration and expenses**

The Head Teacher and other staff trustees 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 trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. The value of trustees' gross remuneration fell within the following bands:

|                              | 2014<br>£     | 2013<br>£     |
|------------------------------|---------------|---------------|
| Ms. K. Cardus (Head Teacher) | 90,000-95,000 | 85,000-90,000 |
| Mr. M. Blake                 | 30,000-35,000 | 30,000-35,000 |
| Miss. E. Triffault           | 35,000-40,000 | not a trustee |

The following employer pension contributions were made on behalf of these individuals::

|                              |               |               |
|------------------------------|---------------|---------------|
| Ms. K. Cardus (Head Teacher) | 10,000-15,000 | 10,000-15,000 |
| Mr. M. Blake                 | 7,000-10,000  | 7,000-10,000  |
| Miss. E. Triffault           | 5,000-10,000  | not a trustee |

During the year, no trustees received any benefits in kind (2013 - £NIL).

During the year, no trustees received any reimbursement of expenses (2013 - £NIL).

**13. Trustees' and officers' insurance**

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £943 (2013 - £943). The cost of this insurance is included in the total insurance cost.

**14. Tangible fixed assets**

|                       | Freehold<br>property<br>£ | Other furniture<br>and equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|---------------------------|---------------------------------------|----------------------------|------------|
| <b>Cost</b>           |                           |                                       |                            |            |
| At 1 September 2013   | 5,756,276                 | 87,396                                | 236,202                    | 6,079,874  |
| Additions             | -                         | 11,874                                | 77,862                     | 89,736     |
| At 31 August 2014     | 5,756,276                 | 99,270                                | 314,064                    | 6,169,610  |
| <b>Depreciation</b>   |                           |                                       |                            |            |
| At 1 September 2013   | 215,803                   | 19,406                                | 107,571                    | 342,780    |
| Charge for the year   | 113,802                   | 24,820                                | 104,686                    | 243,308    |
| At 31 August 2014     | 329,605                   | 44,226                                | 212,257                    | 586,088    |
| <b>Net book value</b> |                           |                                       |                            |            |
| At 31 August 2014     | 5,426,671                 | 55,044                                | 101,807                    | 5,583,522  |
| At 31 August 2013     | 5,540,473                 | 67,990                                | 128,631                    | 5,737,094  |

Included in land and buildings is freehold land at valuation of £500,000 (2013 - £500,000), which is not depreciated.

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Notes to the financial statements**  
**For the year ended 31 August 2014**

---

**15. Debtors**

|                 | <b>2014</b>   | <b>2013</b>   |
|-----------------|---------------|---------------|
|                 | <b>£</b>      | <b>£</b>      |
| VAT recoverable | 75,425        | 38,373        |
|                 | <u>75,425</u> | <u>38,373</u> |

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

|                 | <b>2014</b>   | <b>2013</b>   |
|-----------------|---------------|---------------|
|                 | <b>£</b>      | <b>£</b>      |
| Other creditors | 61,109        | 41,049        |
|                 | <u>61,109</u> | <u>41,049</u> |

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**17. Statement of funds**

|  | <b>Brought<br/>Forward<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Resources<br/>Expended<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>Gains/<br/>(Losses)<br/>£</b> | <b>Carried<br/>Forward<br/>£</b> |
|--|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| <b>Unrestricted funds</b>                      |                                  |                                     |                                     |                                   |                                  |                                  |
| Unrestricted funds                             | 249,856                          | 44,172                              | (23,220)                            | -                                 | -                                | 270,808                          |
| <b>Restricted funds</b>                        |                                  |                                     |                                     |                                   |                                  |                                  |
| General Annual Grant<br>(GAG) (note(i))        | 91,064                           | 3,893,689                           | (3,754,074)                         | (71,830)                          | -                                | 158,849                          |
| Other DfE grants<br>(note(ii))                 | -                                | 79,185                              | (54,945)                            | -                                 | -                                | 24,240                           |
| Other government<br>grants (note(iii))         | -                                | 145,412                             | (110,406)                           | -                                 | -                                | 35,006                           |
| Voluntary fund                                 | 94,245                           | 238,540                             | (204,627)                           | -                                 | -                                | 128,158                          |
| Pension reserve (note<br>(iv))                 | (665,000)                        | -                                   | (35,000)                            | -                                 | 131,000                          | (569,000)                        |
|  | <u>(479,691)</u>                 | <u>4,356,826</u>                    | <u>(4,159,052)</u>                  | <u>(71,830)</u>                   | <u>131,000</u>                   | <u>(222,747)</u>                 |
| <b>Restricted fixed asset funds (note (v))</b> |                                  |                                     |                                     |                                   |                                  |                                  |
| DfE/EFA capital grants                         | 105,463                          | 17,905                              | (10,845)                            | -                                 | -                                | 112,523                          |
| Donated asset fund                             | 5,484,362                        | -                                   | (141,141)                           | -                                 | -                                | 5,343,221                        |
| Capital expenditure<br>from GAG                | 147,269                          | -                                   | (91,321)                            | 71,830                            | -                                | 127,778                          |
|  | <u>5,737,094</u>                 | <u>17,905</u>                       | <u>(243,307)</u>                    | <u>71,830</u>                     | <u>-</u>                         | <u>5,583,522</u>                 |
| Total restricted funds                         | <u>5,257,403</u>                 | <u>4,374,731</u>                    | <u>(4,402,359)</u>                  | <u>-</u>                          | <u>131,000</u>                   | <u>5,360,775</u>                 |
| Total of funds                                 | <u>5,507,259</u>                 | <u>4,418,903</u>                    | <u>(4,425,579)</u>                  | <u>-</u>                          | <u>131,000</u>                   | <u>5,631,583</u>                 |

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

(i) General Annual Grant must be used for the normal running costs of the Academy Trust.

(ii) The other DfE/EFA grants fund is used to track non-GAG grant money received from the DfE/EFA and connected bodies, and included Pupil Premium and 16-19 Bursary grant income.

(iii) The other government grants fund is used to track grants provided by government departments other than the DfE/EFA and includes grants received from the Local Authority.

(iv) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.

(v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The gross transfer from the restricted general fund to the restricted fixed asset fund of £71,830 represents the total capital expenditure from the General Annual Grant (GAG) during the period.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

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

|  | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Restricted<br>fixed asset<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 5,583,522                                       | 5,583,522                   | 5,737,094                   |
| Current assets                         | 270,808                            | 407,362                          | -   | 678,170                     | 476,214                     |
| Creditors due within one year          | -                                  | (61,109)                         | -   | (61,109)                    | (41,049)                    |
| Provisions for liabilities and charges | -                                  | (569,000)                        | -   | (569,000)                   | (665,000)                   |
|  | <u>270,808</u>                     | <u>(222,747)</u>                 | <u>5,583,522</u>                                | <u>5,631,583</u>            | <u>5,507,259</u>            |

**19. Net cash flow from operations**

|   | 2014<br>£      | 2013<br>£     |
|---|----------------|---------------|
| Net incoming resources before revaluations      | (6,676)        | (474)         |
| Returns on investments and servicing of finance | (3,950)        | (6,273)       |
| Capital grants and other capital income         | (17,905)       | (83,193)      |
| Depreciation of tangible fixed assets           | 243,308        | 190,838       |
| Deficit on disposal of fixed assets             | -              | 2,025         |
| (Increase)/decrease in debtors                  | (37,052)       | 9,762         |
| Increase/(decrease) in creditors                | 20,060         | (42,571)      |
| FRS 17 pension cost less contributions payable  | 11,000         | 3,000         |
| FRS 17 pension finance costs                    | 24,000         | 19,000        |
| <b>Net cash inflow from operations</b>          | <u>232,785</u> | <u>92,114</u> |

**20. Analysis of cash flows for headings netted in cash flow statement**

|  | 2014<br>£       | 2013<br>£       |
|--|-----------------|-----------------|
| <b>Returns on investments and servicing of finance</b> |                 |                 |
| Interest received                                      | <u>3,950</u>    | <u>6,273</u>    |
| <b>Capital expenditure and financial investment</b>    |                 |                 |
| Purchase of tangible fixed assets                      | (89,736)        | (171,012)       |
| Capital grants from DfE                                | <u>17,905</u>   | <u>83,193</u>   |
| <b>Net cash outflow capital expenditure</b>            | <u>(71,831)</u> | <u>(87,819)</u> |

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**21. Analysis of changes in net funds**

|                           | <b>1 September<br/>2013</b> | <b>Cash flow</b> | <b>Other<br/>non-cash<br/>changes</b> | <b>31 August<br/>2014</b> |
|---------------------------|-----------------------------|------------------|---------------------------------------|---------------------------|
|                           | <b>£</b>                    | <b>£</b>         | <b>£</b>                              | <b>£</b>                  |
| Cash at bank and in hand: | 437,841                     | 164,904          | -                                     | 602,745                   |
| <b>Net funds</b>          | <b>437,841</b>              | <b>164,904</b>   | <b>-</b>                              | <b>602,745</b>            |

**22. Pension commitments**

The academy trust'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 Kent 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 2004 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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.

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

**Valuation of the Teachers' Pension Scheme**

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**22. Pension commitments (continued)**

a reformed TPS.

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

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2014 was £112,000, of which employer's contributions totalled £88,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 19.5% for employers and between 5.5 - 12.5% for employees.

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

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

|                                     | <b>Expected<br/>return at<br/>31 August<br/>2014<br/>%</b> | <b>Fair value at<br/>31 August<br/>2014<br/>£</b> | <b>Expected<br/>return at<br/>31 August<br/>2013<br/>%</b> | <b>Fair value at<br/>31 August<br/>2013<br/>£</b> |
|-------------------------------------|--|---|--|---|
| Equities                            | 6.70   | 465,000   | 6.60   | 396,000   |
| Bonds                               | 3.60   | 80,000  | 4.40   | 66,000  |
| Property                            | 5.90   | 69,000  | 4.60   | 44,000  |
| Gilts                               | 3.00   | 8,000   | 3.50   | -   |
| Cash                                | 2.90   | 29,000  | 0.50   | 22,000  |
| Target return portfolio             | 5.90   | 29,000  | 5.00   | 22,000  |
| Total market value of assets        |  | 680,000   |  | 550,000   |
| Present value of scheme liabilities |  | (1,249,000)                                       |  | (1,215,000)                                       |
| Deficit in the scheme               |  | (569,000)   |  | (665,000)   |



**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**22. Pension commitments (continued)**

The amounts recognised in the Balance sheet are as follows:

|                                     | <b>2014</b>                 | <b>2013</b>                 |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | <b>£</b>                    | <b>£</b>                    |
| Present value of funded obligations | (1,249,000)                 | (1,215,000)                 |
| Fair value of scheme assets         | 680,000                     | 550,000                     |
|                                     | <u>                    </u> | <u>                    </u> |
| Net liability                       | (569,000)                   | (665,000)                   |
|                                     | <u>                    </u> | <u>                    </u> |

The amounts recognised in the Statement of financial activities are as follows:

|                                  | <b>2014</b>                 | <b>2013</b>                 |
|----------------------------------|-----------------------------|-----------------------------|
|                                  | <b>£</b>                    | <b>£</b>                    |
| Current service cost             | (99,000)                    | (91,000)                    |
| Interest on obligation           | (60,000)                    | (41,000)                    |
| Expected return on scheme assets | 36,000                      | 22,000                      |
|                                  | <u>                    </u> | <u>                    </u> |
| Total                            | (123,000)                   | (110,000)                   |
|                                  | <u>                    </u> | <u>                    </u> |
| Actual return on scheme assets   | 64,000                      | 65,000                      |
|                                  | <u>                    </u> | <u>                    </u> |

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

|                                      | <b>2014</b>                 | <b>2013</b>                 |
|--------------------------------------|-----------------------------|-----------------------------|
|                                      | <b>£</b>                    | <b>£</b>                    |
| Opening defined benefit obligation   | 1,215,000                   | 995,000                     |
| Current service cost                 | 99,000                      | 91,000                      |
| Interest cost                        | 60,000                      | 41,000                      |
| Contributions by scheme participants | 24,000                      | 23,000                      |
| Actuarial (Gains)/losses             | (163,000)                   | 65,000                      |
| Benefits paid                        | 14,000                      | -                           |
|                                      | <u>                    </u> | <u>                    </u> |
| Closing defined benefit obligation   | 1,249,000                   | 1,215,000                   |
|                                      | <u>                    </u> | <u>                    </u> |

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

|                                     | <b>2014</b>                 | <b>2013</b>                 |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | <b>£</b>                    | <b>£</b>                    |
| Opening fair value of scheme assets | 550,000                     | 374,000                     |
| Expected return on assets           | 36,000                      | 22,000                      |
| Actuarial gains and (losses)        | (32,000)                    | 43,000                      |
| Contributions by employer           | 88,000                      | 88,000                      |
| Contributions by employees          | 24,000                      | 23,000                      |
| Benefits paid                       | 14,000                      | -                           |
|                                     | <u>                    </u> | <u>                    </u> |
|                                     | 680,000                     | 550,000                     |
|                                     | <u>                    </u> | <u>                    </u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £52,000 (2013 - £183,000).

The academy trust expects to contribute £74,000 to its Defined benefit pension scheme in 2015.

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2014**

**22. Pension commitments (continued)**

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

|  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
| Discount rate for scheme liabilities                 | 4.00 %      | 4.70 %      |
| Rate of increase in salaries                         | 4.50 %      | 5.10 %      |
| Rate of increase for pensions in payment / inflation | 2.70 %      | 2.90 %      |
| Inflation assumption (CPI)                           | 2.70 %      | 2.90 %      |

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

|                      | <b>2014</b> | <b>2013</b> |
|----------------------|-------------|-------------|
| Retiring today       |             |             |
| Males                | 22.7        | 20.1        |
| Females              | 25.1        | 24.1        |
| Retiring in 20 years |             |             |
| Males                | 24.9        | 22.1        |
| Females              | 27.4        | 26          |

Both the discount rate applied on the defined benefit obligation and the mortality assumption are subject to a degree of subjectivity, and the following sensitivity analysis indicates the impact of a small change in either the discount rate of mortality assumptions:

|  | <b>£</b>  | <b>£</b>  | <b>£</b>  |
|--|-----------|-----------|-----------|
| Adjustment to discount rate:                   | +0.1%     | 0.0%      | -0.1%     |
| - Present value of total obligation            | 1,219,000 | 1,249,000 | 1,280,000 |
| - Projected service cost                       | 102,000   | 104,000   | 107,000   |
| Adjustment to mortality age rating assumption: | +1 Year   | None      | -1 Year   |
| - Present value of total obligation            | 1,206,000 | 1,249,000 | 1,292,000 |
| - Projected service cost                       | 100,000   | 104,000   | 108,000   |

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

|  | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|--|-------------|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    | <b>£</b>    |
| Defined benefit obligation                   | (1,249,000) | (1,215,000) | (995,000)   |
| Scheme assets                                | 680,000     | 550,000     | 374,000     |
| Deficit                                      | (569,000)   | (665,000)   | (621,000)   |
| Experience adjustments on scheme liabilities | 163,000     | (65,000)    | (175,000)   |
| Experience adjustments on scheme assets      | (32,000)    | 43,000      | 14,000      |

---

**Barton Court Grammar School Academy**  
**(A company limited by guarantee)**

---

**Notes to the financial statements**  
**For the year ended 31 August 2014**

---

**23. Operating lease commitments**

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

|                       | <b>2014</b> | <b>2013</b> |
|-----------------------|-------------|-------------|
|                       | <b>£</b>    | <b>£</b>    |
| <b>Expiry date:</b>   |             |             |
| Between 2 and 5 years | 19,309      | 19,309      |

**24. Related party transactions**

Owing to the nature of the academy trust'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 trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account

Income of £4,060 was received from the New Horizons Teaching School Alliance, a teaching school alliance of numerous schools in Kent including the academy. Ms. Cardus, the Head Teacher, is a director of The New Horizons Teaching School Alliance Limited, company number 08478647.

**25. Controlling party**

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.