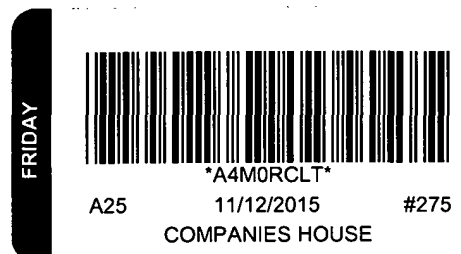


Borden Grammar School Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2015



Borden Grammar School Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Trustees' responsibilities statement	14
Independent auditors' report	15 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 38

Borden Grammar School Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Members	Phillip Bromwich Edmund Doubleday Barbara Casbolt John Shepherd (resigned 16 June 2015) Alan Wilson Gerry Wetherall
Trustees/directors	Phillip Bromwich, Chair of Trustees until 16 October 2015 ¹ Edmund Doubleday, Chair of Finance and Resources (resigned 3 November 2015) ¹ Jonathan Hopkins, Headteacher and Accounting Officer, Ex-Officio ¹ Chris Browne ¹ Barbara Casbolt Nick Verrall, Vice-Chair of Trustees (resigned 13 October 2014) Melanie Cross (resigned 20 November 2014) Christopher Easton Hilary Hendry Yvonne Herbert ¹ Tim Hewett, Staff Trustee ¹ Mildred Johnson (appointed 1 September 2014) Victoria Meacham (appointed 1 September 2014) ¹ Sarah Mendoza John Shepherd (resigned 16 June 2015) Gerry Wetherell, Parent Governor and Chair of Trustees from 16 October 2015 ¹ Alan Wilson ¹ Emma Carter, Staff Trustee (appointed 1 October 2014) ¹ Marcus O'Neill, Staff Trustee (appointed 1 October 2014) ¹ Member of the Finance & Resources Committee
Company registered number	07827591
Principal and registered office	Borden Grammar School Trust Avenue of Remembrance Sittingbourne Kent ME10 4DB
Company secretary	Julie Argent
Senior management team	Jonathan Hopkins, Headteacher (from 1 September 2013) Laurel Townend, Deputy Headteacher Gary Mulligan, Deputy Headteacher Richard Artingstoll, Assistant Headteacher Chris Brinn, Assistant Headteacher Julie Argent, Bursar
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants and Statutory Auditors Thames House, Roman Square Sittingbourne Kent ME10 4BJ

Borden Grammar School Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Administrative details (continued)

Bankers	Natwest Bank PLC 2nd Floor, County Gate 2 Staceys Street, Maidstone Kent. ME14 1ST
Solicitors	Ford Little Solicitors 14 Park Road, Sittingbourne Kent. ME10 1DR

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Report
For the year ended 31 August 2015

The trustees present their annual report and auditors' report of the academy trust for the year ended 31 August 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust was incorporated on 28 October 2011 as a company limited by guarantee and an exempt charity. The academy trust's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees act as 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, governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees and governors. 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.

Principal activities

The academy trust took over the operation of Borden Grammar School on the school's conversion to academy status on 1 January 2012. Since then the academy trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 11 and 18.

Method of recruitment and appointment or election of trustees

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

- Up to sixteen governors, appointed by the members.
- Up to one LA governor, appointed by the LA
- Any staff governors, provided that the number of governors who are employees of the academy trust does not exceed one third of the total number of governors;
- A minimum of two parent governors, elected by the parents of registered pupils at the academy;
- The Headteacher;
- Any additional governors, appointed by the Secretary of State as he thinks fit;
- Any further governors, appointed by the Secretary of State as he thinks fit.

A governor's term of office is four years (excluding the Headteacher) but a governor is eligible for re-election subject to remaining eligible to be a particular type of governor.

The governors shall each school year, at their first meeting in that year, elect a chairman and a vice-chairman from among their number. A governor who is employed by the academy trust shall not be eligible for election as chairman or vice-chairman.

The governors who were in office at 31 August 2015 and served throughout the year, except where shown, are listed on page 1.

Policies and procedures adopted for the induction and training of trustees and governors

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

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

Organisation structure

The organisational structure consists of three levels: the trustees/directors/governors, the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Leadership Team comprises the Headteacher, two Deputy Headteachers, two Assistant Headteachers and a Bursar. These managers control the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain at least one governor. Some spending control is devolved to members of the Middle Management Team.

The Middle Management Team includes Head of Department, Pastoral and Learning Leaders (Heads of Year) and the Additional Educational Needs Co-ordinator. Along with the Senior Leadership Team these managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, 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 has an effective system of internal financial controls and this is explained in more detail in the following statement.

Connected organisations, including related parties

Borden Grammar School Voluntary Fund is a separately registered charity, registration no 1098112. Its principal objects are the provision of items, services and facilities for the school by the making of grants to the school and individuals.

Borden Sport Limited is a non-profit making company limited by guarantee, registration number 03859564. It provides sporting facilities for the school and the local community. Some of the trustees of the academy are directors of Borden Sport Limited.

The land on which sports pitches and a clubhouse are situated is leased by Borden Grammar School Trust to Borden Sport Limited. The Borden Grammar School Trust referred to here is a separate trust which happens to have the same name as the academy trust, and this trust holds the freehold interest in the main school site, subject to the academy's trust's rights to occupation. It also occasionally provides funds to the school for the payment of scholarships, prizes and other matters.

There is also a Parents & Friends Association, also established as a separately registered charity, registration number 800823, which organises various fundraising events to provide facilities for the pupils of Borden Grammar School.

OBJECTIVES AND ACTIVITIES

Objects and aims

The academy trust took over the operation of Borden Grammar School on the school's conversion to academy status on 1 January 2012. Since then the academy trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 11 and 18.

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;
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

The academy trust's main strategy is encompassed in its mission statement which is to provide a challenging, inspiring and caring environment which encourages our students to achieve their personal aspirations in academic, sporting and cultural spheres and enables them to thrive socially and academically.

To this end 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 some weekend activities; and
- a careers advisory service to help students obtain employment or move on to higher education.

Public benefit

Borden Grammar School is a state funded Grammar School and strives to promote and support the advancement of education within the Swale area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible the school also aims to contribute to the benefit of the wider public, through the provision of incidental educational and other activities. The students and staff are regularly involved in charitable activities, such as sponsored events and fundraising quizzes and some profit made from school productions is donated to a charity agreed upon by the students via the School Council. Over the year the contributions that benefit the local community included the following:

- Curriculum support to Primary Schools via the School Games Organiser, Modern Foreign Languages programmes and the Aim Higher Club;
- Regular letting of sports facilities to organisations such as Park Tavern FC, Sittingbourne Athletic JFC and Shake That Sports;
- Regular letting of school facilities to 5th Sittingbourne Scout Group, The Dog Training Company, Agape Pentecostal Church and the Kent Stage Academy;
- Ad hoc letting of facilities to organisations including the Sri Lankan Medical and Dental association, for fundraising events;
- Letting of facilities for annual events organised by Endtime Evangelical Ministries and Medway and Swale Dance Festival
- Letting of facilities for a Christian music event organised by Sittingbourne Baptist Church;
- A Charity Fun Day organised by 6th Form students in aid of Pilgrim's Hospice; and
- BGS Theatre Group, which includes students from Borden Grammar as well as other local schools, using school facilities for public performances of Miss Saigon.

The trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission and confirm compliance with this duty through the above, together with the provision of education which the trustees is demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and performance

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

- 97% of GCSE students achieved 5 or more A *- C grades;
- 94% of GCSE students achieved 5 or more A *-A grades inc. English & Mathematics;
- 47 students out of 107 who took examinations gained 5 or more A/A* grades
- 38% GCSE grades were A*/A;
- 65% of students achieved the EBacc standard
- 96% of Year 13 students achieved 3 or more A level passes; and
- 99% of Year 13 achieved A Level passes or more.

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.

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

Key financial performance indicators

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

- Percentage of income received from EF A spent on teaching staff;
- Percentage of income received from EF A spent on total staff costs;
- Percentage of staff costs over total revenue expenditure
- Pupils numbers (leading directly to EFA funding level); and
- General financial stability - aim for income to match or exceed expenditure each year.

The trustees ensure sound financial management is achieved by regularly reviewing the academy's budget position and comparing academy results with available benchmarking data. They are satisfied that results for all key performance indicators listed have been as expected during the period.

Financial review

Most of the academy trust'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 year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The main source of income has once again been recurrent grant funding from the EFA, and this has been supplemented by capital funding, and also other income such as catering, 6th Form partnership income from other local schools, and sports packages offered to local primary schools. We have also been fortunate to receive donations of £41k during the year.

Total income for the year, including the capital grants, was £4.5m, which easily covered total resources expended of £4.2m. This left net income for the year of £294k, as shown on the Statement of Financial Activities ("SOFA").

The total net movement in funds also includes an actuarial gain on the Local Government Pension Scheme (LGPS) of £16k, leaving a net increase to funds for the year of £310k. This actuarial movement is part of a total increase to the LGPS liability of £27k; the balancing charge of £43k relates to other non-cash FRS 17 pension costs, and is included within the £3.98m total educational costs shown on the SOFA.

It should be noted that the net increase in funds has been affected by two particularly large amounts. Firstly, capital income of £486k includes Condition Improvement Funding of £467k which obtained following a successful bid application. This grant money is being used to finance specific capital projects (for replacement windows and fire alarm systems), and at the year end a significant proportion of this grant money had not been spent; this has been carried forward in the restricted fixed asset fund, as explained in the financial position section on the next page.

The second large amount is the depreciation charge of £264k, a non-cash movement which writes off the cost of capitalised assets over their useful lives, notably the school buildings.

Since both of these two large amounts pass through the restricted fixed asset fund the trustees feel that it is worthwhile commenting on the financial position excluding the restricted fixed asset fund altogether. The net income for the year, excluding this fund and before the actuarial gain, was a surplus of £72k.

At 31 August 2015, the net book value of fixed assets was £9.76m and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academy, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

The academy trust held fund balances at 31 August 2015 of £9.5m. These funds included restricted fixed asset funds of £10.07m, and other restricted funds of £399k.

There are two funds showing a deficit position at the year end:

- a pension reserve showing a deficit of £912k. 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.
- Unrestricted funds show a deficit balance of £79k. This deficit arises because the academy trust inherited loan liabilities of £309k from the predecessor Local Authority School when it converted to academy status on 1 January 2012. Repayment plans agreed with the EFA are in place to settle all loans by August 2017. The in-year surplus for the unrestricted fund was £44k.

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

Financial and risk management objectives and policies

The academy trust uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to maintain cash flow for the academy trust's operations.

The existence of these financial instruments exposes the academy trust to a number of financial risks which are described in more detail below. The main risks arising from the trust's financial instruments are liquidity risk and cash flow interest rate risk.

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. Trustees review the amount of surplus cash and invest as appropriate so as to maximise interest income.

Interest rate risk - the trust earns interest on cash deposits and with interest rates currently low, the directors will take appropriate action to ensure they maximise the income from these deposits.

Credit risk is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

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.

PRINCIPAL RISK 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. It also includes the capacity of existing buildings to deliver teaching and learning to students. The school is very close to maximum capacity and this may be a real issue linked to possible increases in 6th form pupils.

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 risks 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.

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. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

PLANS FOR FUTURE PERIODS

The trustees' main plans for future periods are:

- To further raise % of A*/A grades in GCSEs in general and in English specifically; to improve progress made by students in Year 12 through measures detailed in the 2014-15 School Improvement Plan; and
- To use the greater financial flexibility gained from academy status to modernise and update significant areas of pupils' learning environment.

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

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 23/1/2015 and signed on the board's behalf by:



Gerry Wetherell
Chair of Trustees



Mr. J. Hopkins
Accounting Officer

Borden Grammar School Trust

(A company limited by guarantee)

Scope of Responsibility

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

The trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Borden Grammar School Trust 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 4 times during the year. Attendance during the year at meetings of the trustees was as follows:

Trustee/governor	Meetings attended	Out of a possible
Phillip Bromwich	4	4
Edmund Doubleday	2	4
Jonathan Hopkins, Headteacher/ Accounting Officer	4	4
Chris Browne	4	4
Barbara Casbolt	4	4
Christopher Easton	4	4
Hilary Hendry	4	4
Yvonne Herbert	3	4
Tim Hewett	4	4
Sarah Mendoza	3	4
John Shepherd	2	4
Gerry Wetherell	4	4
Alan Wilson	3	4
Emma Carter	4	4
Marcus O'Neill	3	4
Victoria Meacham	4	4
Mildred Johnson	4	4

Governance reviews:

Ofsted met with key governors as part of their November 2013 Inspection. Ofsted's evaluation of the work of the governors helped to inform a judgment of "Good" for Leadership in the School.

Secondly, the Governors established a 'Working Party' to review the effectiveness of the Governors. In particular the working party focused upon establishing an audit of the current skills of the governors, this helped to shape recruitment to strengthen the governing body. The working party also led to increased contact with students of the school to establish 'student voice' on a range of issues related to teaching and learning. In turn this informed review of teaching and learning at the Standards Committee which helped to form the priorities for the School Improvement Plan for 2014-15. The Working Party also established the need to employ a new clerk to the governors to sharpen up the way in which the governing body challenged and supported the School. Finally the work of the working party led to a new emphasis on holding the school to account for the standards it has through the introduction of targeted subject presentations at governing body meetings by areas in need of improvement.

The Working Party is on going.

Borden Grammar School Trust
(A company limited by guarantee)

(continued)

The Finance & Resources Committee is a sub-committee of the main board of trustees. Its purpose is to effectively plan and monitor the financial resources of the academy. The Finance and Resources Committee's remit also includes the functions of an audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Phillip Bromwich, Chair of Trustees	5	5
Edmund Doubleday, Chair of Finance and Resources	2	5
Jonathan Hopkins, Headteacher and Accounting Officer	5	5
Gerry Wetherell	4	5
Alan Wilson	5	5
Chris Browne	5	5
Tim Hewett	5	5
Emma Carter	3	5
Victoria Meacham	5	5
Yvonne Herbert	3	5

Review of Value for Money

As accounting officer the [principal / chief executive] has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- using performance data to compare attainment and other outcomes from all schools nationally, and with similar schools;
- using the information gained to challenge performance and set new targets; and
- using fair competition through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way.

At Borden Grammar School budgets are delegated to Heads of Department. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Improvement Plan. Improved educational outcomes, particularly at GCSE and Y12 have been secured against a backdrop of significant funding cuts which have resulted in budget holders having to make difficult decisions.

All staff adhere to the school procedures for purchasing items, as laid down in the Financial Regulations Manual, paying regard to value for money at all times. The Headteacher or designated deputy authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the following:

- for orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for approval;
- for orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Resources Committee for approval and report to the Full Governing Body. If an urgent decision is required for purchases up to £50,000, the Bursar seeks agreement from the Chair of Governors, Vice Chair of Governors and Chair of Resources Committee and report to the Full Governing Body at the next meeting ; and
- the School also adopts the procedure where quotations are sought for all purchases exceeding £1,000 (either for individual or multiple items)

The school has established procedures for assessing need and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost. Maintenance contracts are reviewed annually.

During the academic year 2014-15 we invested in additional staff responsibilities which have improved student outcomes as detailed here. The appointment of a new post 'Deputy Headteacher: Standards and Achievement' as well as targeted use of TLR3 payments in Science helped to improve student outcomes at GCSE considerably, as detailed earlier in this document.

The performance management process is applied rigorously to ensure that pay progression is in line with the school's policies on Appraisal and Pay. In particular staff moving through threshold have to meet clear criteria, progression is not automatic; standards are more exacting as staff progress through the Upper Pay Scale.

Borden Grammar School Trust
(A company limited by guarantee)

(continued)

In response to the challenge posed by budget cuts the school has looked to rationalise staffing wherever possible in response to opportunities presented by 'natural wastage.' Consequently, certain roles, particularly among support staff have been amalgamated or re-distributed in order realise efficiency gains for the Academy.

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 Borden Grammar School Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The trustees have 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 2014 to 31 August 2015 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 & Resources 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. In particular the checks carried out in the current period included:

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.

The quarterly monitoring checks on the school systems help to ensure that appropriate systems are in place and are operating efficiently throughout the year, and narrative reports are issued to trustees after each monitoring visit.

The role of the external auditor in their capacity of providing an additional supplementary programme of work has been fully delivered in line with EFA requirements and there have been no material control issues requiring urgent attention.

Borden Grammar School Trust
(A company limited by guarantee)

(continued)

Review of Effectiveness

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

- the work of the 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 & Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the trustees on 23 November 2015 and signed on its behalf, by:



Gerry Wetherell
Chair of Trustees



Mr. J. Hopkins
Accounting Officer

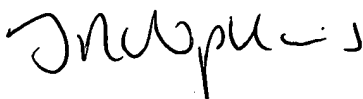
Borden Grammar School Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Borden Grammar School Trust 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 (2014).

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 (2014).

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.



Jonathan Hopkins
Accounting Officer

Date: 23 November 2015

Borden Grammar School Trust
(A company limited by guarantee)

Trustees' Responsibilities Statement
For the year ended 31 August 2015

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 trustees on 23/11/2015 and signed on its behalf by:



Gerry Wetherell
Chair of Trustees

Borden Grammar School Trust
(A company limited by guarantee)

Independent Auditors' Report to the Members of Borden Grammar School Trust

We have audited the financial statements of Borden Grammar School Trust for the year ended 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 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 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'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's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 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.

Borden Grammar School Trust
(A company limited by guarantee)

Independent Auditors' Report to the Members of Borden Grammar School Trust

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: 8 December 2015

Borden Grammar School Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Borden Grammar School Trust 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 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Borden Grammar School Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Borden Grammar School Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Borden Grammar School Trust 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 Borden Grammar School Trust and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Borden Grammar School Trust's funding agreement with the Secretary of State for Education dated 9 February 2012, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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'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 arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Borden Grammar School Trust 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.

Borden Grammar School Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Borden Grammar School Trust 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Allan Hickie BSc FCA

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

8 December 2015

Borden Grammar School Trust
(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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	11,951	14,189	14,361	40,501	26,140
Activities for generating funds	3	164,785	38,842	-	203,627	255,222
Investment income	4	2,952	-	-	2,952	3,277
Incoming resources from charitable activities	5	-	3,762,825	486,184	4,249,009	3,714,742
Total incoming resources		179,688	3,815,856	500,545	4,496,089	3,999,381
Resources expended						
Costs of activities for generating funds	6	133,588	15,740	-	149,328	152,437
Educational activities	7	2,484	3,703,222	264,251	3,969,957	3,967,715
Governance costs	8	-	82,702	-	82,702	84,666
Total resources expended	9	136,072	3,801,664	264,251	4,201,987	4,204,818
Net incoming / (outgoing) resources before transfers		43,616	14,192	236,294	294,102	(205,437)
Transfers between Funds	18	-	14,361	(14,361)	-	-
Net income / (expenditure) for the year		43,616	28,553	221,933	294,102	(205,437)
Actuarial gains and losses on defined benefit pension schemes		-	16,000	-	16,000	183,000
Net movement in funds for the year		43,616	44,553	221,933	310,102	(22,437)
Total funds at 1 September 2014		(122,324)	(557,775)	9,844,435	9,164,336	9,186,773
Total funds at 31 August 2015		(78,708)	(513,222)	10,066,368	9,474,438	9,164,336

All activities relate to continuing operations.

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

The notes on pages 22 to 38 form part of these financial statements.

Borden Grammar School Trust
(A company limited by guarantee)
Registered number: 07827591

Balance Sheet
As at 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	14		9,755,342		9,826,000
Current assets					
Debtors	15	63,459		45,802	
Cash at bank		712,982		382,291	
		<u>776,441</u>		<u>428,093</u>	
Creditors: amounts falling due within one year	16	<u>(108,932)</u>		<u>(133,962)</u>	
Net current assets			667,509		294,131
Total assets less current liabilities			<u>10,422,851</u>		<u>10,120,131</u>
Creditors: amounts falling due after more than one year	17		<u>(36,413)</u>		<u>(70,795)</u>
Net assets excluding pension scheme liability			10,386,438		10,049,336
Defined benefit pension scheme liability	23		<u>(912,000)</u>		<u>(885,000)</u>
Net assets including pension scheme liability			<u><u>9,474,438</u></u>		<u><u>9,164,336</u></u>
Funds of the academy					
Restricted funds :					
Restricted funds	18	398,778		327,225	
Restricted fixed asset funds	18	<u>10,066,368</u>		<u>9,844,435</u>	
Restricted funds excluding pension liability		10,465,146		10,171,660	
Pension reserve		<u>(912,000)</u>		<u>(885,000)</u>	
Total restricted funds			9,553,146		9,286,660
Unrestricted funds	18		<u>(78,708)</u>		<u>(122,324)</u>
Total funds			<u><u>9,474,438</u></u>		<u><u>9,164,336</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 23 November 2015 and are signed on their behalf, by:



Gerry Wetherell
Chair of Trustees

The notes on pages 22 to 38 form part of these financial statements.

Borden Grammar School Trust
(A company limited by guarantee)

Cash Flow Statement
For the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	45,207	221,816
Returns on investments and servicing of finance	21	2,952	3,277
Capital expenditure and financial investment	21	306,952	6,144
Cash inflow before financing		355,111	231,237
Financing	21	(24,420)	(127,835)
Increase in cash in the year		330,691	103,402

Reconciliation of Net Cash Flow to Movement in Net Funds
For the year ended 31 August 2015

	2015 £	2014 £
Increase in cash in the year	330,691	103,402
Cash outflow from decrease in debt and lease financing	24,420	127,835
Movement in net funds in the year	355,111	231,237
Net funds at 1 September 2014	306,999	75,762
Net funds at 31 August 2015	662,110	306,999

The notes on pages 22 to 38 form part of these financial statements.

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

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 2014 to 2015 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 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 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.

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

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's educational operations.

Governance costs include the costs attributable to the academy'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 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

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and 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'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 the interest in school 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:

Interest in school buildings	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	33.33% straight line

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy 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 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 funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other donations	11,951	28,550	40,501	26,140

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Income from facilities & services	46,955	38,842	85,797	137,421
Catering income	115,839	-	115,839	117,801
Other income	1,991	-	1,991	-
	164,785	38,842	203,627	255,222

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	2,952	-	2,952	3,277

5. Funding for the academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General annual grant (GAG)	-	3,586,486	3,586,486	3,528,691
Other DfE/EFA grants	-	58,186	58,186	55,059
	-	3,644,672	3,644,672	3,583,750
Other government grants				
School Sports Partnership	-	91,760	91,760	24,662
Other government grants	-	26,393	26,393	29,465
	-	118,153	118,153	54,127
DfE/EFA capital grants				
Condition Improvement Fund	-	467,548	467,548	-
Academies capital maintenance fund	-	-	-	59,854
Devolved formula capital	-	18,636	18,636	17,011
	-	486,184	486,184	76,865
	-	4,249,009	4,249,009	3,714,742

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering supplies	116,784	15,740	132,524	135,239
Allocated occupancy costs	6,583	-	6,583	6,901
Allocated administrative staff costs	10,221	-	10,221	10,297
	133,588	15,740	149,328	152,437

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

7. Charitable activities - academy's educational operations

	Total funds 2015 £	Total funds 2014 £
Direct costs		
Wages and salaries	2,344,259	2,129,057
National insurance	159,097	154,066
Pension cost	268,321	254,838
Depreciation	251,038	269,010
Examination fees	92,207	88,489
Staff development	10,459	16,109
Other direct costs	53,957	50,146
Books, apparatus and stationery	200,452	211,905
	<u>3,379,790</u>	<u>3,173,620</u>
Support costs		
Wages and salaries	176,543	306,221
National insurance	27,231	26,330
Pension cost	129,329	185,594
Depreciation	13,213	14,158
Maintenance of premises and equipment	63,454	88,568
Cleaning	13,249	16,568
Rates	18,948	18,066
Heat and light	40,813	49,212
Insurance	28,511	27,813
Security	1,986	1,983
Transport	4,500	4,998
Administrative supplies	35,294	41,628
Other support costs	37,096	12,956
	<u>590,167</u>	<u>794,095</u>
	<u><u>3,969,957</u></u>	<u><u>3,967,715</u></u>

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	7,360	7,360	7,090
Auditors' non audit costs	-	1,550	1,550	1,400
Other bought in professional services	-	34,687	34,687	36,193
Allocated occupancy costs	-	8,441	8,441	9,092
Allocated administrative staff costs	-	30,664	30,664	30,891
	<u>-</u>	<u>82,702</u>	<u>82,702</u>	<u>84,666</u>

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

9. Resources expended

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
Costs of generating voluntary income	10,221	6,583	132,524	149,328	152,437
Academy's educational operations:					
Direct costs	2,771,677	251,038	357,075	3,379,790	3,173,620
Allocated support costs	333,103	166,968	90,096	590,167	794,095
	3,104,780	418,006	447,171	3,969,957	3,967,715
Governance	30,664	8,441	43,597	82,702	84,666
	3,145,665	433,030	623,292	4,201,987	4,204,818

10. Net incoming / (outgoing) resources

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the academy trust	264,251	283,168
Auditors' remuneration	7,360	7,090
Auditors' remuneration - non-audit	1,550	1,400
Operating lease rentals:	10,548	8,586

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

11. Staff

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	2,521,056	2,469,349
Social security costs	186,328	180,396
Pension costs	397,650	440,432
	<u>3,105,034</u>	<u>3,090,177</u>
Supply teacher costs	23,631	7,117
Compensation payments	17,000	-
	<u><u>3,145,665</u></u>	<u><u>3,097,294</u></u>

Pension costs include a provision for early retirement benefits payable in respect of former employees of the academy trust that fall due in two remaining annual installments in October 2015 and October 2016. The costs have been charged to support pension costs, and the relevant proportion of the accruals are included within creditors falling due within one year and after more than one year, as appropriate.

b. Staff severance payments

Included in compensation payments are individual payments made under compromise/severance agreements for £11,000 and £6,000.

c. Staff numbers

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

	2015	2014
	No.	No.
Teachers	47	49
Administration and support	25	29
Management	6	6
	<u>78</u>	<u>84</u>

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £ 60,001 - £ 70,000	1	2
In the band £ 70,001 - £ 80,000	1	0
	<u>2</u>	<u>2</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £18,814 (2014 - £18,476).

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

12. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £866 (2014 - £906). The cost of this insurance is included in the total insurance cost.

13. Trustees' and governors' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration, including employer's pension contributions, fell within the following bands:

	2015 £	2014 £
Jonathan Hopkins, Accounting Officer, Ex-Officio	80,000-85,000	75,000-80,000
Emma Carter, Staff Trustee	50,000-55,000	not a trustee
Marcus O'Neill	45,000-50,000	not a trustee
Tim Hewett, Staff Trustee	20,000-25,000	20,000-25,000

During the year, no trustees received any reimbursement of expenses (2014 - £NIL).

14. Tangible fixed assets

	Land & buildings £	Motor vehicles £	Furniture & equipment £	Computer equipment & software £	Total £
Cost					
At 1 September 2014	10,169,162	5,500	167,894	221,194	10,563,750
Additions	163,359	-	7,139	23,095	193,593
Disposals	-	-	-	(16,250)	(16,250)
At 31 August 2015	10,332,521	5,500	175,033	228,039	10,741,093
Depreciation					
At 1 September 2014	458,832	3,667	107,199	168,052	737,750
Charge for the year	175,155	1,375	41,973	45,748	264,251
On disposals	-	-	-	(16,250)	(16,250)
At 31 August 2015	633,987	5,042	149,172	197,550	985,751
Net book value					
At 31 August 2015	9,698,534	458	25,861	30,489	9,755,342
At 31 August 2014	9,710,330	1,833	60,695	53,142	9,826,000

Included in land and buildings is freehold land at valuation of £1,411,406 (2014 - £1,411,406), which is not depreciated.

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

15. Debtors

	2015	2014
	£	£
Trade debtors	6,577	5,813
Recoverable VAT	44,295	24,869
Prepayments and accrued income	12,587	15,120
	<u>63,459</u>	<u>45,802</u>

16. Creditors:
Amounts falling due within one year

	2015	2014
	£	£
Loans to Kent County Council	24,420	24,420
Trade creditors	-	43,172
Accruals and deferred income	84,512	66,370
	<u>108,932</u>	<u>133,962</u>

Deferred income

	£
Deferred income at 1 September 2014	22,349
Resources deferred during the year	16,387
Amounts released from previous years	(22,349)
Deferred income at 31 August 2015	<u>16,387</u>

17. Creditors:
Amounts falling due after more than one year

	2015	2014
	£	£
Loans to Kent County Council	26,452	50,872
Accruals and deferred income	9,961	19,923
	<u>36,413</u>	<u>70,795</u>

Included within the above are amounts falling due as follows:

	2015	2014
	£	£
Between one and two years		
Other loans	<u>26,452</u>	<u>50,872</u>

The loan included in creditors relates to a loan inherited on conversion in respect of a deficit to the predecessor Local Authority school. The loan is being repaid through agreed monthly installments, and will be settled by 31 August 2017.

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	(122,324)	179,688	(136,072)	-	-	(78,708)
Restricted funds						
General Annual Grant (GAG)	178,366	3,586,486	(3,484,453)	6,334	-	286,733
Other DfE/EFA grants	6,359	61,386	(57,411)	(6,334)	-	4,000
Other government grants	-	23,193	(23,193)	-	-	-
School Sports Partnership	142,500	130,602	(175,057)	-	-	98,045
Other grants	-	14,189	(18,550)	14,361	-	10,000
Pension reserve	(885,000)	-	(43,000)	-	16,000	(912,000)
	(557,775)	3,815,856	(3,801,664)	14,361	16,000	(513,222)
Restricted fixed asset funds						
DfE/EFA capital grants	331,446	486,184	(19,945)	-	-	797,685
Donated asset fund	9,501,678	-	(238,321)	-	-	9,263,357
Capital expenditure from GAG	2,347	-	(1,431)	-	-	916
Other donations	8,964	14,361	(4,554)	(14,361)	-	4,410
	9,844,435	500,545	(264,251)	(14,361)	-	10,066,368
Total restricted funds	9,286,660	4,316,401	(4,065,915)	-	16,000	9,553,146
Total of funds	9,164,336	4,496,089	(4,201,987)	-	16,000	9,474,438

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 is used to track non-GAG grant money received from the DfE/EFA and connected bodies, and included Pupil Premium.
- (iii) The other government grants fund is used to track grants provided by government departments.
- (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.

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

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

19. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	9,755,342	9,755,342	9,826,000
Current assets	(27,836)	493,251	311,026	776,441	428,093
Creditors due within one year	(24,420)	(84,512)	-	(108,932)	(133,962)
Creditors due in more than one year	(26,452)	(9,961)	-	(36,413)	(70,795)
Provisions for liabilities and charges	-	(912,000)	-	(912,000)	(885,000)
	<u>(78,708)</u>	<u>(513,222)</u>	<u>10,066,368</u>	<u>9,474,438</u>	<u>9,164,336</u>

20. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	294,102	(205,437)
Returns on investments and servicing of finance	(2,952)	(3,277)
Capital grants and other capital income	(500,545)	(76,865)
Depreciation of tangible fixed assets	264,251	283,168
Deficit on disposal of tangible fixed assets	-	381
(Increase)/decrease in debtors	(17,657)	107,391
(Decrease)/increase in creditors	(34,992)	57,455
FRS 17 pension cost less contributions payable	28,000	18,000
FRS 17 pension finance income	15,000	41,000
Net cash inflow from operations	<u>45,207</u>	<u>221,816</u>

21. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>2,952</u>	<u>3,277</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(193,593)	(71,121)
Sale of tangible fixed assets	-	400
Capital grants from DfE/EFA	486,184	76,865
Capital funding received from sponsors and others	<u>14,361</u>	<u>-</u>
Net cash inflow capital expenditure	<u>306,952</u>	<u>6,144</u>

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

21. Analysis of cash flows for headings netted in cash flow statement (continued)

	2015 £	2014 £
Financing		
Repayment of loans	(24,420)	(127,835)

22. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	382,291	330,691	-	712,982
Debt:				
Debts due within one year	(24,420)	-	-	(24,420)
Debts falling due after more than one year	(50,872)	-	24,420	(26,452)
Net funds	306,999	330,691	24,420	662,110

23. Pension commitments

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

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

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 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 reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted 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 is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 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 2015 was £119,000, of which employer's contributions totalled £94,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 19.8% for employers and between 5.5% and 12.5% for employees.

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

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.70	712,000	6.70	629,000
Bonds	3.60	115,000	3.60	108,000
Property	5.90	141,000	5.90	94,000
Gilts	3.00	10,000	3.00	11,000
Cash	2.90	27,000	2.90	39,000
Target return portfolio	5.90	45,000	5.90	40,000
Total market value of assets		<u>1,050,000</u>		<u>921,000</u>
Present value of scheme liabilities		<u>(1,962,000)</u>		<u>(1,806,000)</u>
Deficit in the scheme		<u>(912,000)</u>		<u>(885,000)</u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,962,000)	(1,806,000)
Fair value of scheme assets	<u>1,050,000</u>	<u>921,000</u>
Net liability	<u>(912,000)</u>	<u>(885,000)</u>

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

	2015 £	2014 £
Current service cost	(122,000)	(114,000)
Interest on obligation	(73,000)	(76,000)
Expected return on scheme assets	<u>58,000</u>	<u>35,000</u>
Total	<u>(137,000)</u>	<u>(155,000)</u>
Actual return on scheme assets	<u>23,000</u>	<u>61,000</u>

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	1,806,000	1,541,000
Current service cost	122,000	114,000
Interest cost	73,000	76,000
Contributions by scheme participants	25,000	26,000
Actuarial losses	(51,000)	56,000
Benefits paid	(13,000)	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,962,000	1,806,000
	<hr/>	<hr/>

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

	2015	2014
	£	£
Opening fair value of scheme assets	921,000	532,000
Expected return on assets	58,000	35,000
Actuarial gains and (losses)	(35,000)	239,000
Contributions by employer	94,000	96,000
Contributions by employees	25,000	26,000
Benefits paid	(13,000)	(7,000)
	<hr/>	<hr/>
	1,050,000	921,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £40,000 gain (2014 - £24,000 gain).

The academy expects to contribute £83,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

	£	£	£
Adjustment to discount rate:	+0.1%	0.0%	-0.1%
- Present value of total obligation	1,918,000	1,962,000	2,008,000
- Projected service cost	118,000	121,000	124,000
Adjustment to mortality age rating assumption:	+1 Year	None	-1 Year
- Present value of total obligation	2,012,000	1,962,000	1,913,000
- Projected service cost	124,000	121,000	118,000

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(1,962,000)	(1,806,000)	(1,541,000)	(1,285,000)
Scheme assets	1,050,000	921,000	532,000	396,000
Deficit	(912,000)	(885,000)	(1,009,000)	(889,000)
Experience adjustments on scheme assets	(35,000)	239,000	43,000	13,000

24. Operating lease commitments

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

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	10,548	10,548

25. Related party transactions

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

During the year the academy trust received income of £1,160 (2014: £7,372) from Borden Sport Limited, a company in which Philip Bromwich and Alan Wilson are directors. Purchases of £11,652 were incurred from Borden Sport Limited (2014 : £9,774). At 31 August 2015, Borden Sport Limited owed £447 to the academy trust.

The academy trust also recognised a donation of £8,000 from the Borden Grammar School Trust, the separately registered charity with the same name as the academy trust (as explained in the connected organisations section of the trustees' report. At 31 August 2015, Borden Grammar School Trust owed the academy trust £4,000.

Borden Grammar School Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

26. 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.