

Company Registration No. 07850292 (England and Wales)

BOURNE GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

BOURNE GRAMMAR SCHOOL

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BOURNE GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Anderson (Accounting Officer) (Appointed 1 January 2021)
Father C Atkinson
J A Barker
S Brett (Resigned 16 October 2020)
A Burrows (Appointed 15 October 2020)
J E Burrows
S Cottage
C Delpont
L Edwards
I M Fytche
G R Greatwood
C F Hawkins (Resigned 13 October 2020)
J M Kendrew
P Loader
J P Maddox (Resigned 31 December 2020)
C McLean
I J G Mears (Chair of Governors)
C J Moon
R J Parker
S Siddabattuni
L Taylor
L Williams (Appointed 18 November 2020 and resigned 17 May 2021)

Cllr S Woolley

Governors

A Anderson (Accounting Officer) (Appointed 1 January 2021)
Father C Atkinson
J A Barker
S Brett (Resigned 16 October 2020)
A Burrows (Appointed 15 October 2020)
J E Burrows
S Cottage
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R J Parker
S Siddabattuni
L Taylor
L Williams (Appointed 18 November 2020 and resigned 17 May 2021)

Cllr S Woolley

BOURNE GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Leadership Team as at 31 August 2021

- Headteacher	A Anderson
- Deputy Headteacher	A G Ransom
- Deputy Headteacher (Academic)	M R Hewitt
- Deputy Headteacher (Pastoral)	M A Brunker
- Deputy Headteacher (Digital Strategy)	S A Brown
- Assistant Headteacher (Pastoral)	T Brooker
- Accounting Officer	A Anderson

Company registration number 07850292 (England and Wales)

Registered office South Road
Bourne
Lincolnshire
PE10 9JE
United Kingdom

Independent auditor Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

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

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Bourne Grammar School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bourne Grammar School.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

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

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

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

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Method of recruitment and appointment or election of governors

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

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

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

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

Policies and procedures adopted for the induction and training of governors

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

Organisational structure

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

The Headteacher:

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

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

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

Arrangements for setting pay and remuneration of key management personnel

The Leadership Team consists of the Headteacher and four Deputy Headteachers. All are paid within ranges, set by the governing body on each appointment, on the national Leadership Pay Spine. The Headteacher is a governor, trustee, member and director of the Academy Trust; his pay range is determined by the group of governors, led by the Chair of Governors, which manages his annual performance management. The range is reviewed from time to time and has been adjusted to reflect the School's growth in student numbers and the governors have also had regard to the published pay of Headteachers in schools of comparable size in the surrounding area. The ranges of the other members of the leadership team are reviewed by the Headteacher whose recommendations to the governing body are considered by the Finance, Premises & Audit Committee. Any annual increments awarded within the agreed ranges are approved by the Headteacher.

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

There has been no time spent on trade union facility time during the year.

Related parties and other connected charities and organisations

Related parties have been identified by the governors in their annual disclosures of pecuniary interests. Further details are disclosed in note 25.

Objectives and activities

Objects and aims

The objective of the School in relation to all students on roll (Year 7 through to Sixth Form) is summed up by the School's purpose statement:

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

The Headteacher and leadership team lead on the development and implementation of the School development plan to ensure delivery of the School's purpose within the constraint of the allocated funding.

The expansion programme commenced in September 2012 and is now essentially complete, with 8 forms in each of the years 7-11, and greater Sixth Form numbers as a result of follow-through from successive expanded Year 11 years and a greater inflow of students from Year 11 cohorts from other schools.

Although the Sixth Form may grow a little more, it is expected that the School is now in its final expanded form. In this state, student numbers will be as follows:

Year 7 – 11 5 X 240 = 1,200

Sixth Form Around 500

Expected steady-state total student numbers: 1,675 – 1,725

Public benefit

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

Strategic report

Achievements and performance

2021 GCSE Results

9: 23.6%

9-7: 68.7%

Grade 4+ in EBacc: 81%

Grade 5+ in English & Maths: 95%

Att 8 score: 74

EBacc APS: 7.6

Progress 8: Not Yet Available

2021 A Level Results

A*: 22.4%

A*-A: 51.9%

A*-C: 93.7

Av A Level grade: B

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Sixth Form has been growing in numbers but is now likely to have reached a plateau of around 500. There are 26 A-Level subjects on offer. No further subjects are planned.

The School continues to invest in the estate. Work over the recent Summer break and planned for the future will redeploy and refurbish older parts of the estate to best meet the needs of a fully expanded school.

Sport plays a significant role within the life of the School. An artificial pitch facility opened in Summer 2020.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts.

Financial review

The School held fund balances at 31 August 2021 of £12,658,966 (2020 - £12,523,686) comprising (£1,839,575) (2020 - (£1,773,138)) of restricted funds and £76,912 (2020 - £48,525) of unrestricted general funds. Of the restricted funds, £14,421,629 (2020 - £14,248,299) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was (£2,538,000) (2020 - (£2,133,000)).

Covid Impact on Finance

Covid funding from central government ensured that school finances were not adversely affected. Intervention to allow all students access to effective remote learning was successfully planned and delivered using the additional resources received for this purpose. Those who needed support in terms of devices, software or internet connectivity were given this support within the allocated budget. Due to our funding structure, the furlough of staff was not an option. This allowed teaching staff to focus on the delivery of online lessons: every lesson on timetable was delivered remotely including practical subjects such as PE and Drama.

The Governors consider that unrestricted funds together with the balance on general annual grant and devolved formula capital grant comprise available funds.

Reserves policy

The governors expect to spend the money received on the pupils in the school at the current time and retain an ongoing reserve of 3 – 8% of annual grant funding as set out in the reserves policy.

We calculate available funds to be £756,758 and the governors will carry out a review on how these will be used and is detailed in plans for future periods.

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

Investment policy

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

Principal risks and uncertainties

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

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

BOURNE GRAMMAR SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

The Academy is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. Bourne Grammar School does not use professional fundraisers and there have been no complaints received by the Academy about fund raising activities carried out by the Academy in the year.

Plans for future periods

Future plans for the school include:

- Refurbishment of the existing estate to provide a standard of accommodation (size, ambient environment etc.) of similar high specification to the new Science Block.
- Development of a new Pastoral Hub
- Redesign of Reception
- Longer term consideration of a new Sixth Form Centre
- Investment in a wellbeing programme for staff and students
- Fresh look at LT and support staff structures
- Further development of ICT provision.

Funds held as custodian trustee on behalf of others

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

Auditor

In so far as the governors are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 01 December 2021 and signed on its behalf by:

I J G Mears

Chair of Governors

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

As governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of governors 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 Bourne Grammar School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
A Anderson (Accounting Officer) (Appointed 1 January 2021)	2	2
Father C Atkinson	3	4
J A Barker	3	4
S Brett (Resigned 16 October 2020)	0	1
A Burrows (Appointed 15 October 2020)	3	3
J E Burrows	3	4
S Cottage	1	4
C Delpont	3	4
L Edwards	3	4
I M Fytche	3	4
G R Greatwood	4	4
C F Hawkins (Resigned 13 October 2020)	0	1
J M Kendrew	3	4
P Loader	2	4
J P Maddox (Resigned 31 December 2020)	2	2
C McLean	3	4
I J G Mears (Chair of Governors)	4	4
C J Moon	2	4
R J Parker	4	4
S Siddabattuni	3	4
L Taylor	3	4
L Williams (Appointed 18 November 2020 and resigned 17 May 2021)	2	2
Cllr S Woolley	4	4

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In line with the requirements of the Academies Trust Handbook the board meets in full four times per year with an additional nine committee meetings held on top. Effective governance is assured via the work of the Pastoral and Community Committee, the Finance, Premises and Audit Committee and the Curriculum and Personnel Committee. The Finance, Premises and Audit Committee has monthly access to management accounts, reviews spending annually and scrutinises budget plans prior to approval each year by the board.

Throughout the period of the COVID-19 pandemic during which the School was closed, an Emergency Executive Committee was mandated to operate. Meetings of the EEC took place when scheduled Committee/FGB meetings would have taken place. Full attendance at each meeting of the EEC was experienced throughout the period for which it operated. Notwithstanding the record of full attendance at the EEC meetings, the practice of supplanting normal attendance at meetings with the smaller number of Governors attending meetings of the EEC has resulted in the attendance numbers noted above being lower than would be expected had the meetings run in the conventional manner. All meetings both during and outwith the period during which the EEC operated were in every case quorate.

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

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
A Burrows (Appointed 15 October 2020)	2	3
I M Fytche	3	3
J M Kendrew	3	3
C McLean	2	3
I J G Mears (Chair of Governors)	3	3
R J Parker	3	3
L Taylor	2	3

Review of value for money

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by ensuring multiple quotes are obtained where practicable and appropriate.

Staffing:

Recruiting the highest quality staff, teaching and non-teaching, remains a key priority of the School and considerable time and financial resource is spent on this activity. The policy of recruiting additional staff in English and Maths provides protection in the event of it being difficult to recruit at certain times of the year and also enables smaller set sizes with emphasis on all students reaching their potential through support for 'weaker' students. Carefully controlled resource is spent on CPD for staff with the objective of enhancing teaching and learning across the curriculum.

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

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial Governance:

Financial governance of the School is overseen by the Finance, Premises & Audit committee in accordance with the School's finance policy. The Finance, Premises & Audit Committee meets regularly to oversee and review spending against income, preparation of annual budget, 3-year financial projections, recommendations of the Responsible Officer, compliance with guidelines published by the ESFA in the Academies Financial Handbook, health & safety and matters pertaining to the upkeep and expansion of the School estate. Governor approval must be sought for non-routine items over £2,000.

The School continually evaluates expenditure in all areas in order to demonstrate best value for money and to reduce expenditure where possible; an example being the change of printer contract and the reduction from two leased minibuses to one. The Support Staff structure has been reviewed and refined over recent years to deliver increased efficiency at a reduced cost.

Risk and control:

Bourne Grammar School has historically received the lowest level of per pupil secondary school funding in Lincolnshire. Despite this level of funding the School offers exceptional teaching and learning and offers outstanding value for money. This has been made possible by the long-term expansion strategy that the School and Governors put in place in 2012 along with prudent financial management.

Now that the School has completed its expansion it is expected that it will generate a moderate annual operating surplus, some of which is likely to be used to improve the condition of the state.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bourne Grammar School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors and at each committee.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the Finance, Premises and Audit 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;
- identification and management of risks.

BOURNE GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The board of governors has decided:

- to buy in an internal audit service from Streets LLP.

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

- Governance/Financial Management
- Income
- Expenditure
- Payroll
- Regularity

Three times per year, the Internal Auditor reports to the Finance Team and the Headteacher, who then report to the board of governors through the Finance, Premises and Audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors. The accompanying Internal Auditor report includes an outline of the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor has delivered one visit during the past year as opposed to the planned three. This is less than the expected schedule of work due to the restrictions surrounding COVID-19 and the working restrictions imposed (lockdowns and working from home for part of the year). The review has confirmed that overall the systems within the Academy are working effectively. They identified one area where improvements are required and recommendations have been made to improve current arrangements. The recommendation is categorised as low risk and for this reason the Internal Audit opinion has been assessed as Substantial i.e. A high level of assurance where the control framework is robust and working largely as expected.

The one area raised for improvement was that some purchases were made without purchase order forms and the recommendation was to raise purchase orders to accompany invoices as part of best practice and as per the School's Finance manual. It is not always possible to raise an order for every purchase, every invoice/payment made is authorised by the budget holder.

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 internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 01 December 2021 and signed on its behalf by:

A Anderson
Accounting Officer

I J G Mears
Chair of Governors

BOURNE GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Bourne Grammar School, I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

A Anderson
Accounting Officer

01 December 2021

BOURNE GRAMMAR SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The governors (who act as trustees for Bourne Grammar School and are also the directors of Bourne Grammar School for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on 01 December 2021 and signed on its behalf by:

I J G Mears
Chair of Governors

BOURNE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Bourne Grammar School for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BOURNE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

In preparing the accounts, the governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BOURNE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BOURNE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

7 December 2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

BOURNE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 1 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourne Grammar School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bourne Grammar School's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

BOURNE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

Dated: 07 December 2021

BOURNE GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	3,970	4,253	35,624	43,847	35,245
Charitable activities:						
- Funding for educational operations	4	145,477	8,968,463	-	9,113,940	8,381,064
Other trading activities	5	-	-	-	-	1,080
Investments	6	122	-	-	122	500
Total		149,569	8,972,716	35,624	9,157,909	8,417,889
Expenditure on:						
Charitable activities:						
- Educational operations	9	121,182	8,380,940	340,507	8,842,629	8,316,180
Total	7	121,182	8,380,940	340,507	8,842,629	8,316,180
Net income/(expenditure)		28,387	591,776	(304,883)	315,280	101,709
Transfers between funds	18	-	(478,213)	478,213	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(180,000)	-	(180,000)	(41,000)
Net movement in funds		28,387	(66,437)	173,330	135,280	60,709
Reconciliation of funds						
Total funds brought forward		48,525	(1,773,138)	14,248,299	12,523,686	12,462,977
Total funds carried forward		76,912	(1,839,575)	14,421,629	12,658,966	12,523,686

BOURNE GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	1,946	600	32,699	35,245
Charitable activities:					
- Funding for educational operations	4	499,618	7,881,446	-	8,381,064
Other trading activities	5	1,080	-	-	1,080
Investments	6	500	-	-	500
Total		<u>503,144</u>	<u>7,882,046</u>	<u>32,699</u>	<u>8,417,889</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	499,893	7,484,617	331,670	8,316,180
Total	7	<u>499,893</u>	<u>7,484,617</u>	<u>331,670</u>	<u>8,316,180</u>
Net income/(expenditure)		3,251	397,429	(298,971)	101,709
Transfers between funds	18	-	(390,838)	390,838	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(41,000)	-	(41,000)
Net movement in funds		3,251	(34,409)	91,867	60,709
Reconciliation of funds					
Total funds brought forward		45,274	(1,738,729)	14,156,432	12,462,977
Total funds carried forward		<u>48,525</u>	<u>(1,773,138)</u>	<u>14,248,299</u>	<u>12,523,686</u>

BOURNE GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£	£
Fixed assets			
Tangible assets	13	15,119,629	15,048,299
Current assets			
Debtors	14	252,453	155,128
Cash at bank and in hand		1,026,178	786,532
		1,278,631	941,660
Current liabilities			
Creditors: amounts falling due within one year	15	(601,294)	(633,273)
Net current assets		677,337	308,387
Total assets less current liabilities		15,796,966	15,356,686
Creditors: amounts falling due after more than one year	16	(600,000)	(700,000)
Net assets before defined benefit pension scheme liability		15,196,966	14,656,686
Defined benefit pension scheme liability	20	(2,538,000)	(2,133,000)
Total net assets		12,658,966	12,523,686
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		14,421,629	14,248,299
- Restricted income funds		698,425	359,862
- Pension reserve		(2,538,000)	(2,133,000)
Total restricted funds		12,582,054	12,475,161
Unrestricted income funds	18	76,912	48,525
Total funds		12,658,966	12,523,686

The accounts on pages 20 to 44 were approved by the governors and authorised for issue on 01 December 2021 and are signed on their behalf by:

I J G Mears
Chair of Governors

Company Number 07850292

BOURNE GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		715,737		530,288
Cash flows from investing activities					
Dividends, interest and rents from investments		122		500	
Capital grants from DfE Group		35,624		32,699	
Purchase of tangible fixed assets		(399,284)		(314,676)	
Net cash used in investing activities			(363,538)		(281,477)
Cash flows from financing activities					
Repayment of other loan		(100,000)		(100,000)	
Finance costs		(12,553)		(12,553)	
Net cash used in financing activities			(112,553)		(112,553)
Net increase in cash and cash equivalents in the reporting period			239,646		136,258
Cash and cash equivalents at beginning of the year			786,532		650,274
Cash and cash equivalents at end of the year			1,026,178		786,532

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The trustees have taken consideration of the effects of COVID-19 in making their assessment.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	2% straight line
Fixtures, fittings & equipment	25% straight line

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

Other assets transferred to the academy on conversion have not been valued in these accounts.

The land and buildings are leased under a 125 year lease.

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

1.6 Liabilities

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

1.7 Leased assets

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

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

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

1.8 Financial instruments

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	35,624	35,624	32,699
Other donations	3,970	4,253	8,223	2,546
	<u>3,970</u>	<u>39,877</u>	<u>43,847</u>	<u>35,245</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,107,318	8,107,318	7,315,875
Other DfE / ESFA grants:				
Pupil premium	-	105,934	105,934	99,749
Teachers pension grants	-	319,720	319,720	308,968
Teachers pay grants	-	113,146	113,146	109,841
Others	-	98,119	98,119	22,624
	-	8,744,237	8,744,237	7,857,057
Other government grants				
Local authority grants	-	26,673	26,673	15,752
COVID-19 additional funding (DfE/ESFA)				
Coronavirus exceptional support	-	36,428	36,428	-
Catch-up premium	-	95,680	95,680	-
Other Coronavirus funding	-	45,750	45,750	-
	-	177,858	177,858	-
Other incoming resources	145,477	19,695	165,172	508,255
Total funding	145,477	8,968,463	9,113,940	8,381,064

The academy received £95,680 of funding for catch-up premium and costs incurred in respect of this funding totalled £82,392, with the remaining £13,288 to be spent in 2021/22.

The academy received a further £45,750 for mass testing and £36,428 for emergency support. This income has been fully spent and the costs are included in notes 7 and 9 below.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lettings	-	-	-	1,080

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	122	-	122	500

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	5,888,860	-	569,927	6,458,787	6,283,338
- Allocated support costs	973,280	1,024,482	386,080	2,383,842	2,032,842
	6,862,140	1,024,482	956,007	8,842,629	8,316,180

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	10,600	10,400
- Other services	1,273	1,075
- Supplementary checks	-	625
Operating lease rentals	180,963	80,164
Depreciation of tangible fixed assets	327,954	319,117
Bank and loan interest	12,553	12,553
Net interest on defined benefit pension liability	35,000	35,000

8 Governance costs

	Total 2021 £	Total 2020 £
All from restricted funds:		
Amounts included in support costs		
Legal costs	58,014	43,042
Auditor's remuneration		
- Audit of financial statements	10,600	10,400
- Other audit costs	1,273	1,700
	69,887	55,142

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	121,182	6,337,605	6,458,787	6,283,338
Support costs				
Educational operations	-	2,383,842	2,383,842	2,032,842
	<u>121,182</u>	<u>8,721,447</u>	<u>8,842,629</u>	<u>8,316,180</u>
Analysis of costs			2021	2020
			£	£
Direct costs				
Teaching and educational support staff costs			5,888,860	5,383,280
Staff development			9,068	6,072
Technology costs			90,732	60,918
Educational supplies and services			177,465	182,231
Examination fees			144,702	147,923
Other direct costs			147,960	502,914
			<u>6,458,787</u>	<u>6,283,338</u>
Support costs				
Support staff costs			973,280	927,751
Depreciation			327,954	319,117
Recruitment and support			24,855	35,201
Maintenance of premises and equipment			334,725	156,221
Cleaning			193,457	139,879
Energy costs			77,594	83,679
Rent, rates and other occupancy costs			51,447	54,854
Insurance			39,305	41,808
Catering			46,046	39,601
Finance costs			47,553	47,553
Legal costs			58,014	43,042
Other support costs			197,739	132,036
Governance costs			11,873	12,100
			<u>2,383,842</u>	<u>2,032,842</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	4,973,011	4,557,511
Social security costs	522,756	470,190
Pension costs	1,363,928	1,240,277
Staff costs - employees	6,859,695	6,267,978
Agency staff costs	2,445	12,781
Staff restructuring costs	-	30,272
	6,862,140	6,311,031
Staff development and other staff costs	9,068	6,072
Total staff expenditure	6,871,208	6,317,103

Staff restructuring costs comprise:

Severance payments	-	30,272
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Staff numbers

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

	2021 Number	2020 Number
Teachers	92	88
Administration and support	32	34
Management	6	5
	130	127

Higher paid staff

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

	2021 Number	2020 Number
£60,000 - £70,000	3	2
£70,000 - £80,000	4	2
£120,000 - £130,000	-	1

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £577,978 received by 7 people (2020 - £519,492 received by 6 people).

11 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year governors expenses amounted to £nil (2020 - £nil).

The value of governors' remuneration was as follows:

Mr J Maddox (Headteacher and trustee) (retired 31 December 2020)

Remuneration £45,000 - £50,000 (2020 - £125,000 - £130,000)

Employer's pension contributions £10,000 - £15,000 (2020 - £25,000 - £30,000)

Mr A Anderson (Headteacher and trustee) (appointed 1 January 2021)

Remuneration £65,000 - £70,000

Employer's pension contributions £10,000 - £15,000

Mr C Delport (staff governor and trustee)

Remuneration £45,000 - £50,000 (2020 - £45,000 - £50,000)

Employer's pension contributions £10,000 - £15,000 (2020 - £10,000 - £15,000)

Mr J Barker (staff governor and trustee)

Remuneration £40,000 - £45,000 (2020 - £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2020 - £5,000 - £10,000)

Mr L Edwards (staff governor and trustee)

Remuneration £40,000 - £45,000 (2020 - £40,000 - £45,000)

Employer's pension contributions £10,000 - £15,000 (2020 - £5,000 - £10,000)

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

12 Governors' and officers' insurance

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2020	17,157,837	165,527	17,323,364
Additions	266,601	132,683	399,284
Disposals	-	(4,202)	(4,202)
At 31 August 2021	17,424,438	294,008	17,718,446
Depreciation			
At 1 September 2020	2,137,758	137,307	2,275,065
On disposals	-	(4,202)	(4,202)
Charge for the year	319,974	7,980	327,954
At 31 August 2021	2,457,732	141,085	2,598,817
Net book value			
At 31 August 2021	14,966,706	152,923	15,119,629
At 31 August 2020	15,020,079	28,220	15,048,299

14 Debtors

	2021 £	2020 £
Trade debtors	31,216	3,712
VAT recoverable	63,263	37,072
Prepayments and accrued income	157,974	114,344
	252,453	155,128

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	100,000	100,000
Trade creditors	23,151	146,177
Other taxation and social security	172,988	122,432
Other creditors	170,204	129,440
Accruals and deferred income	134,951	135,224
	601,294	633,273

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	600,000	700,000

Analysis of loans	2021 £	2020 £
Not wholly repayable within five years by instalments	100,000	200,000
Wholly repayable within five years	600,000	600,000
	700,000	800,000
Less: included in current liabilities	(100,000)	(100,000)
Amounts included above	600,000	700,000

Loan maturity

Debt due in one year or less	100,000	100,000
Due in more than one year but not more than two years	100,000	100,000
Due in more than two years but not more than five years	400,000	400,000
Due in more than five years	100,000	200,000
	700,000	800,000

17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	62,935	84,313
Deferred income at 1 September 2020	84,313	204,345
Released from previous years	(84,313)	(204,345)
Resources deferred in the year	62,935	84,313
Deferred income at 31 August 2021	62,935	84,313

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	359,862	8,080,138	(7,345,926)	(478,213)	615,861
Pupil premium	-	105,934	(46,884)	-	59,050
Catch-up premium	-	95,680	(82,392)	-	13,288
Other ESFA COVID-19 funding	-	82,178	(82,178)	-	-
Teachers pension grants	-	319,720	(319,720)	-	-
Teachers pay grants	-	113,146	(113,146)	-	-
Other DfE / ESFA grants	-	98,119	(98,119)	-	-
Other government grants	-	26,673	(26,673)	-	-
16 - 19 Bursary	-	27,180	(16,954)	-	10,226
Other restricted funds	-	23,948	(23,948)	-	-
Pension reserve	(2,133,000)	-	(225,000)	(180,000)	(2,538,000)
	<u>(1,773,138)</u>	<u>8,972,716</u>	<u>(8,380,940)</u>	<u>(658,213)</u>	<u>(1,839,575)</u>
Restricted fixed asset funds					
DfE group capital grants	-	35,624	-	(33,624)	2,000
Capital expenditure from GAG	4,954,455	-	(115,936)	-	4,838,519
Property transferred at conversion	9,105,920	-	(192,260)	-	8,913,660
Fixed assets financed from GAG	538,762	-	(10,775)	399,284	927,271
Fixed assets financed from other funds	449,162	-	(8,983)	-	440,179
ESFA capital loans	(800,000)	-	(12,553)	112,553	(700,000)
	<u>14,248,299</u>	<u>35,624</u>	<u>(340,507)</u>	<u>478,213</u>	<u>14,421,629</u>
Total restricted funds	<u>12,475,161</u>	<u>9,008,340</u>	<u>(8,721,447)</u>	<u>(180,000)</u>	<u>12,582,054</u>
Unrestricted funds					
General funds	46,358	10,590	(615)	-	56,333
School fund	2,167	138,979	(120,567)	-	20,579
	<u>48,525</u>	<u>149,569</u>	<u>(121,182)</u>	<u>-</u>	<u>76,912</u>
Total funds	<u>12,523,686</u>	<u>9,157,909</u>	<u>(8,842,629)</u>	<u>(180,000)</u>	<u>12,658,966</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

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

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

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

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

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	148,271	7,315,875	(6,713,446)	(390,838)	359,862
Pupil premium	-	99,749	(99,749)	-	-
Other DfE / ESFA grants	-	541,182	(541,182)	-	-
Other government grants	-	15,752	(15,752)	-	-
Other restricted funds	-	9,237	(9,237)	-	-
Pension reserve	(1,887,000)	-	(205,000)	(41,000)	(2,133,000)
	<u>(1,738,729)</u>	<u>7,981,795</u>	<u>(7,584,366)</u>	<u>(431,838)</u>	<u>(1,773,138)</u>
Restricted fixed asset funds					
DfE group capital grants	-	32,699	-	(32,699)	-
Capital expenditure from GAG	5,030,438	-	(112,374)	36,391	4,954,455
Property transferred at conversion	9,298,180	-	(192,260)	-	9,105,920
Fixed assets financed from GAG	265,793	-	(5,316)	278,285	538,762
Fixed assets financed from other funds	458,329	-	(9,167)	-	449,162
s.106 grant	3,692	-	-	(3,692)	-
ESFA capital loans	(900,000)	-	(12,553)	112,553	(800,000)
	<u>14,156,432</u>	<u>32,699</u>	<u>(331,670)</u>	<u>390,838</u>	<u>14,248,299</u>
Total restricted funds	<u>12,417,703</u>	<u>8,014,494</u>	<u>(7,916,036)</u>	<u>(41,000)</u>	<u>12,475,161</u>
Unrestricted funds					
General funds	26,361	19,719	(8,700)	8,978	46,358
School fund	18,913	483,425	(491,193)	(8,978)	2,167
	<u>45,274</u>	<u>503,144</u>	<u>(499,893)</u>	<u>-</u>	<u>48,525</u>
Total funds	<u>12,462,977</u>	<u>8,517,638</u>	<u>(8,415,929)</u>	<u>(41,000)</u>	<u>12,523,686</u>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	15,119,629	15,119,629
Current assets	120,347	1,156,284	2,000	1,278,631
Creditors falling due within one year	(43,435)	(457,859)	(100,000)	(601,294)
Creditors falling due after one year	-	-	(600,000)	(600,000)
Defined benefit pension liability	-	(2,538,000)	-	(2,538,000)
Total net assets	76,912	(1,839,575)	14,421,629	12,658,966
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	15,048,299	15,048,299
Current assets	115,537	826,123	-	941,660
Creditors falling due within one year	(67,012)	(466,261)	(100,000)	(633,273)
Creditors falling due after one year	-	-	(700,000)	(700,000)
Defined benefit pension liability	-	(2,133,000)	-	(2,133,000)
Total net assets	48,525	(1,773,138)	14,248,299	12,523,686

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £164,725 were payable to the schemes at 31 August 2021 (2020: £125,329) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £972,971 (2020: £887,975).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust 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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.1% for employers and 5.5 to 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.

Total contributions made	2021 £	2020 £
Employer's contributions	185,000	202,000
Employees' contributions	53,000	49,000
Total contributions	238,000	251,000

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.2	2.5
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	21.2	21.4
- Females	23.6	23.7
Retiring in 20 years		
- Males	22.0	22.4
- Females	25.1	25.2

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £	2020 £
0.5% decrease in Real Discount Rate	710,000	555,000
0.5% increase in the Salary Increase Rate	45,000	25,000
0.5% increase in the Pension Increase Rate (CPI)	655,000	522,000

Defined benefit pension scheme net liability	2021 £	2020 £
Scheme assets	3,411,000	2,601,000
Scheme obligations	(5,949,000)	(4,734,000)
Net liability	(2,538,000)	(2,133,000)

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	2,444,000	1,794,690
Bonds	485,000	520,200
Property	352,000	260,100
Other assets	130,000	26,010
Total market value of assets	3,411,000	2,601,000

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

The actual return on scheme assets was £567,000 (2020: £(132,000)).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	375,000	372,000
Interest income	(46,000)	(48,000)
Interest cost	81,000	83,000
	<hr/>	<hr/>
Total operating charge	410,000	407,000
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	4,734,000	4,426,000
Current service cost	375,000	372,000
Interest cost	81,000	83,000
Employee contributions	53,000	49,000
Actuarial loss/(gain)	701,000	(139,000)
Benefits paid	5,000	(57,000)
	<hr/>	<hr/>
At 31 August 2021	5,949,000	4,734,000
	<hr/>	<hr/>

Changes in the fair value of the academy trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	2,601,000	2,539,000
Interest income	46,000	48,000
Actuarial (gain)/loss	521,000	(180,000)
Employer contributions	185,000	202,000
Employee contributions	53,000	49,000
Benefits paid	5,000	(57,000)
	<hr/>	<hr/>
At 31 August 2021	3,411,000	2,601,000
	<hr/>	<hr/>

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	315,280	101,709
Adjusted for:		
Capital grants from DfE and other capital income	(35,624)	(32,699)
Investment income receivable	(122)	(500)
Finance costs payable	12,553	12,553
Defined benefit pension costs less contributions payable	190,000	170,000
Defined benefit pension scheme finance cost	35,000	35,000
Depreciation of tangible fixed assets	327,954	319,117
(Increase) in debtors	(97,325)	(1,488)
(Decrease) in creditors	(31,979)	(73,404)
Net cash provided by operating activities	715,737	530,288

22 Analysis of changes in net funds/(debt)

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	786,532	239,646	1,026,178
Loans falling due within one year	(100,000)	-	(100,000)
Loans falling due after more than one year	(700,000)	100,000	(600,000)
	(13,468)	339,646	326,178

23 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	135,436	129,670
Amounts due in two and five years	252,591	321,810
	388,027	451,480

BOURNE GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Capital commitments

	2021	2020
	£	£
Expenditure contracted for but not provided in the accounts	38,361	-
	<u> </u>	<u> </u>

25 Related party transactions

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

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

The Bourne Education Foundation, in which all of the trustees are governors at the school, has gifted £nil (2020 - £76) to the school for prizes on the student Speech night.

26 Members' liability

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

No individual has a controlling interest in the charitable company.

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