

financial statements

**Sir William Borlase's Grammar School
Company Limited by Guarantee**

For the year ended 31 August 2013

Company registration number: 07625556

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Financial Statements

Year ended 31 August 2013

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**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Reference and Administrative Details

Year ended 31 August 2013

Governors	Mr J L Whitehead *	Chairman Resigned 31 August 2013
	Mr J R Biggs	
*Member of the Finance Committee	Mr T J Bownass	
	Mr M N Coster *	Responsible Officer
	Mr I Duguid	Appointed Chairman 7 July 2013
	Mr A Handford	
	Dr P A Holding	Headteacher and Accounting Officer
	Mrs J M Hopper	Staff Governor Resigned 31 August 2013
	Mr D R Hooper *	
	Mrs F M Jackson	Resigned 31 August 2013
	Mrs A M Jones	
	Mr P J A Kelly	Resigned 14 October 2013
	Mrs H Martin	Staff Governor
	H H Judge A H Norris	Resigned 31 August 2013
	Dr D Parsons	Staff Governor Appointed 15 October 2012
	Mr B E S Raffles *	
	Mrs C Redcliffe *	Appointed 15 October 2012
	Mr C Robertson *	Staff Governor Appointed 14 October 2013
	Mr M R Santa-Olalla	
	Miss R M Williams	Staff Governor Resigned 15 October 2012
Company Secretary	Mr J A Clegg	
Responsible Officer	Mr M N Coster	
Senior Management Team	Dr P Holding	Headteacher
	Miss K Mountfield	Deputy Headteacher
	Mr J A Clegg	Business Manager
	Mr M Adamson	Assistant Headteacher
	Mr E Lee	Assistant Headteacher
	Miss R Williams	Assistant Headteacher
Registered Office	Sir William Borlase's Grammar School West Street Marlow Buckinghamshire SL7 2BR	

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Reference and Administrative Details *(continued)*

Year ended 31 August 2013

Company Registration Number 07625556 (England & Wales)

Auditors MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

Bankers Lloyds Bank plc
17 High Street
Marlow SL7 1AJ

Solicitors Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report

Year ended 31 August 2013

The Trustees present their annual report together with the audited consolidated financial statements of Sir William Borlase's Grammar School for the 12 month period ended 31 August 2013. The charitable company was incorporated on 6 May 2011, and converted to academy status on 1 June 2011.

Academies are exempt charities; this means that the company is a charity that is not required to register with the Charity Commission. This is because the charity is already regulated by the Department for Education, which fulfils the role of the 'Principal Regulator'.

The company's financial year is 1 September to 31 August. Therefore, these financial statements are prepared for the period 1 September 2012 to 31 August 2013. The prior year comparators are for the 15 month reporting period 1 June 2011 to 31 August 2012.

The financial statements have been prepared in accordance with the accounting policies disclosed in the financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005'), and the Academies Accounts Direction 2013 issued by the Education Funding Agency in May 2013.

Structure, Governance and Management

Constitution

Sir William Borlase's Grammar School 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, together with the Funding Agreement with the Department for Education.

The Governors act as the trustees for the charitable activities of Sir William Borlase's Grammar School and are also the directors of the Charitable Company for the purposes of company law. The titles Governor, Trustees and Directors are used throughout this report to in reference to the bodies' activities being reported in the relevant paragraphs. The Charitable Company is known as Sir William Borlase's Grammar School.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative details on page 1.

Members' Liability

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

Trustees' Indemnities

The articles of association state that every Governor shall be indemnified out of the assets of the Academy Trust against any liability by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. The Academy has purchased employers' liability insurance, public liability insurance and professional indemnity insurance.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, *(continued)*

Year ended 31 August 2013

Principal Activities

The principal object of the charitable company is "*establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.*"

This object is met by the operation of the Sir William Borlase's Grammar School providing education for pupils between the ages of 11 and 19 in accordance with its articles of association.

Method of Recruitment and Appointment or Election of Governors

The governors of the predecessor school as at 31 May 2011 were appointed as Governors during the course of June 2011 to serve out their remaining terms of office. Staff governors are selected by a ballot of all staff members; parent representatives are elected by a ballot of parents; the Members review the skill set of the governing body and invite individuals with appropriate skills to join the body as appropriate.

When appointing Governors the following is taken into consideration:

The Articles of Association of the Academy Trust require the makeup of the Governors to be as follows:

There will be a minimum of 3 Governors, of which:

3 staff Governors are appointed by staff election

A minimum of 2 parent Governors are elected by parents of registered pupils of the academy

Up to 8 Governors are appointed by the Members

Up to 4 Governors are appointed by the Trustees of the Sir William Borlase's Grammar School Trust

The Headteacher is an ex officio governor

Governors who are employees of the Academy (including the Headteacher) cannot exceed one third of the total number of Governors.

The number of Governors in place from September 2012 was 19 structured as follows:

- 3 Staff Governors
- 4 Parent Governors
- 8 Member Governors
- 3 Trustee Governors
- 1 Headteacher

The term of office for any Governor shall be four years excepting:

- The Headteacher
- Staff Governors if they cease to be employed by the Academy
- The term of office can be less than four years for any governor other than a parent governor.

In general Governors are replaced as and when they reach the end of the term of their office. Subject to remaining eligible to be a particular category of Governor, any Governor may be re-appointed or re-elected.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, (continued)

Year ended 31 August 2013

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters.

All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

As there are normally only two or three new Governors appointed each year, induction is routinely provided informally and is tailored specifically to the individual.

Organisational Structure

The structure consists of three levels: the Governors, Senior Leadership Team and Budget Holders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Governors are also responsible for approving the Financial Procedures under which the Academy's finances operate.

The Head Teacher has overall executive responsibility for the Academy's activities including financial activities. Much of the responsibility for financial activities has been delegated to the Business Manager.

The Head Teacher is responsible for the appointment of all staff with the exception of the Senior Leadership Team and Heads of Departments, which is performed in conjunction with the Governors.

The Senior Leadership Team comprises the Headteacher, the Deputy Headteacher, the Business Manager and three Assistant Headteachers; Associate Assistant Headteachers join the Team to lead specific projects. The Senior Leadership Team controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Team meets weekly and is collectively responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Spending control is devolved to Budget Holders (who are normally members of the SLT, Head of Departments, or equivalent support staff) with expenditure above certain limits requiring additional authorisation from either the Senior Managers or the Governors (or both).

Risk Management

Governors are aware of their responsibilities towards risk and have in place policies and procedures to address them (see pages 13 and 14).

Connected Organisations, including Related Party Relationships

Sir William Borlase's Grammar School is not controlled by a third party in the detailed management of the delivery of its objectives.

Sir William Borlase's Grammar School has a controlling interest in the Sir William Borlase's Grammar School – School Fund, a charity (Charity Number 1096750) set up to support the education of pupils attending Sir William Borlase's Grammar School.

The School Fund transactions are consolidated within these financial statements.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, (continued)

Year ended 31 August 2013

Connected Organisations, including Related Party Relationships (continued)

Although it does not have a controlling interest, Sir William Borlase's Grammar School does have strong connections with the following organisations:

- Sir William Borlase's Grammar School Trust (Charity Number 310623);
- Sir William Borlase's Grammar School Parent Association (Charity Number 279085);
- Sir William Borlase's Grammar School Rowing Parent Support Group (Charity Number 1092936).

Objectives and activities

Objects and Aims

The principal object and activity of the charitable company is "establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum"

Sir William Borlase's Grammar School aims to achieve excellence in all its fields of endeavour by creating an inspired, ambitious, confident and caring community of young people and adults.

The Academy aspires to deliver an exceptional quality of teaching and learning. It promotes high expectations for both staff and students and encourages maximum effort, intellectual curiosity and independence of mind. By fostering a distinctive Borlase spirit with a strong ethos of consideration, the whole school community works together to create accomplished and well-rounded young people.

Above all, the Academy actively supports and encourages each individual student to develop his/her talents and realise his/her fullest potential in both academic and non-academic fields. The Academy aims to provide the quality of education to enable students to achieve their preferred next steps in higher education or employment.

The Governors believe that students will succeed through experiencing:

- A broad and challenging curriculum.
- Rich and varied extra-curricular activities.
- Imaginative and innovative teaching.
- Opportunities for responsibility, teamwork and leadership.
- A secure and stimulating learning environment.
- Support, challenge and the encouragement to succeed.
- Participation in a learning community.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, *(continued)*

Year ended 31 August 2013

Objectives, Strategies and Activities

The Academy has the following goals that are linked to its vision:

- Every student is supported in becoming a confident, resilient and independent learner.
- Every student is given the opportunity and support progressively to develop leadership skills and opportunities to exercise these.
- Results in all subjects at GCSE to exceed value added averages for Buckinghamshire grammar schools, and results in all subjects at A level to exceed value added expectations.
- Every student contributes positively to a healthy and safe community
- Students' learning is supported by a high quality environment and effective services.
- Students' learning benefits from the academy's commitment to its staff and the effective use and development of their skills. To ensure that these goals are met the academy sets strategic targets within its School Improvement Plan in the following areas:
 - Learning and teaching
 - Staff leadership
 - Student leadership
 - Staff development
 - Property and services development

These targets are owned by a member of the Senior Leadership Team and progress on these is monitored throughout the year.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit is to provide education for its pupils.

Achievements and performance

Sir William Borlase's Grammar School was one of the first schools in Buckinghamshire to become an academy. Towards the end of its first academy year, in July 2012, the academy underwent an OFSTED Inspection and was graded "outstanding" in all areas.

The total number of students as at 31st August 2013 was 1018 (with an additional 28 students participating in specific 6th form subjects as part of the High Wycombe Consortium) and the Academy is historically oversubscribed in all year groups.

Examination results for 2013 were outstanding with 82.7% of all A levels taken gaining B grade or better; at least 46 students gained three A grades or better with four students gaining straight A* grades. At GCSE, 99% of pupils achieved A*-C grades, 73% of all GCSEs were at A* or A grade, with the average grade in excess of an A, 47 pupils gained straight A grades or better with eight gaining straight A*s.

Five students have accepted places at Oxford and Cambridge universities, a further six students have moved forward to medical colleges and the majority of remaining 6th form leavers have progressed to their 1st or 2nd choice of onward career development.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, *(continued)*

Year ended 31 August 2013

Achievements and performance *(continued)*

To ensure that standards are continually raised, the Academy operates a comprehensive self-evaluation programme which includes observation of lessons; scrutiny of students' work; questionnaires and focus groups.

During the reporting period infrastructure improvements included an increase in the volume of gym changing rooms, re-location of the Art department (which will allow re-location of the History department), the introduction of site-wide wifi capability and the replacement of a majority of lighting throughout the site (to improve energy efficiency).

Going Concern

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

Key Financial Performance Indicators

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to specified purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other donors. In accordance with SORP 2005, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2013, total expenditure excluding depreciation and loss on disposal of fixed assets) of £5,421,228 for the group was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension actuarial losses) was £254,216.

At 31 August 2013 the net book value of fixed assets was £13,913,009 and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land and buildings leased to the Academy at its inception were from two separate sources:

Prior to conversion, the playing fields and other pieces of land for the school were owned by Buckinghamshire County Council; this land is now leased to the Academy for a period of 125 years, commencing 1 June 2011.

Prior to conversion, the footprint of the buildings and other pieces of land for the school were formerly owned by Buckinghamshire County Council. On 1 June 2011 ownership was transferred to the Sir William Borlase's Grammar School Trust; these buildings and pieces of land are now leased to the Academy for a period of 125 years, commencing 1 June 2011.

Financial Review

Financial and Risk Management Objectives and Policies

The Academy adopts risk management principles through its Board, namely the Full Governing Body and the constituted sub committees. Any major risks highlighted at any sub-committee are brought to the Full Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Full Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Full Governing Body collectively, whilst more minor risks are dealt with by the senior leadership team.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, (continued)

Year ended 31 August 2013

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by high quality teaching, linked to excellent academic results, effective interventions to ensure high standards of pupil behaviour in and around the community, regular reporting to Governors on all forms of complaints, from parents and the wider community, along with actions taken.
- Performance risk – mitigated by strong professional development, effective systems for monitoring performance at all levels, an effective Performance Management system, monitored by the Senior Leadership Team and Governors.
- Financial risk. The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. These are mitigated by regular and robust budgets monitoring of expenditure and income by the Governors, the continuance of neutral (or surplus) budget setting, internal and external audits, and effective, well resourced maintenance and upkeep plan for the site and facilities, coupled with adequate insurance against damage to property.
- Risks associated with personnel – mitigated by high quality recruitment to ensure quality staff, robust safeguarding procedures, effective risk assessment procedures to ensure the safety and well being of staff and an effective staff well-being committee.
- Regulatory risk. The principal risk being changes to regulations surrounding academies as charities and/or companies. These are mitigated by continual assessment by Governors of regulation changes and robust adherence to DFE policies, along with continual advice from well informed professional legal and accountancy support.

Reserves Policy

Sir William Borlase's Grammar School intends to spend its General Academy Grant (GAG) in each year that it is received. To this end, Governors approve a neutral academy budget for GAG expenditure. Within the associated School Fund charity account, contingency reserves are maintained to ensure that emergencies can be appropriately managed. Contributions towards specific projects are collated and spent against projects set by the Governors within the annual "Above and Beyond Campaign". Larger projects may attract reserve accruals across financial reporting periods. In the reported period attic space was converted in to gym changing rooms to increase overall capacity utilising funds from contributions to the Above and Beyond campaign and balances brought forward.

At 31 August 2013 the total funds of the group comprised:

Unrestricted		28,991
Restricted:	GAG	76,047
	Other	<u>399,578</u>
		504,616
	Fixed asset funds	13,913,009
	Pension reserve	<u>(1,148,000)</u>
		<u>£13,269,625</u>

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Trustees' Annual Report, (continued)

Year ended 31 August 2013

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as more fully discussed in note 17. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. On 2 July 2013 Secretary of State for Education issued a note guaranteeing that DfE will meet any pension liability should an academy close. Further details are shown in note 17. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment Policy

The financial instruments in which the Academy deals are mainly bank balances, cash, trade creditors and limited trade debtors. The Academy has not made any investments in the period other than holding the cash in its bank account (including a balance of cash on a rolling 90-day deposit to enhance interest). As such there is very little risk in the nature of the Academy's transactions.

Plans for future periods

The Academy will continue striving to improve the levels of performance of all students and staff. It will continue its efforts to ensure its students enjoy their preferred option upon leaving, be that university, vocational training or employment. Governors plan to maintain the delivered education within government guidelines and policies, wherever these change. To that end senior managers regularly meet with their counterparts from other academies to share best practice and ensure that our plans do not converge from the general direction of others. Specifically, government publicised changes to the size of funding grants is expected to hit grammar schools and their capability to continue to offer the wide choice of A level programmes. We continue to work with other grammar schools to ensure that we are all aligned in our approach to the challenges. Over the coming years Governors plan to improve facilities with a number of infrastructure projects including, creation of a 6th form centre, gymnasium re-design; potential increase in the number of laboratories, with related changes to other room allocations, and the building of a boat-house to support the rowing activities. These infrastructure projects are contained within the governors' long term plans towards 2024, the 400th anniversary of Sir William Borlase's School.

Funds held as custodian trustee on behalf of others

Sir William Borlase's Grammar School Fund is an unincorporated Trust fund which was registered as a charity in the United Kingdom on 28 March 2003 (Charity Number 1096750). It is established to aid in the advancement of education at Sir William Borlase's Grammar School by way of assisting in the provision of facilities for all pupils. Directors of the company are also the trustees of this charity whose funds are held in a separate bank account and are consolidated within these financial statements.

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Trustees' Annual Report, (continued)

Year ended 31 August 2013

Auditor

Insofar as the governors are aware:

There is no relevant information of which the charitable company's auditor is unaware, and

The trustees 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.

Auditor

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by order of the board of trustees on 9 December 2013 and signed on its behalf by

.....
Mr I Duguid
Chairman

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Governance Statement

Year ended 31 August 2013

As central government public sector bodies, academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible.

Scope of Responsibility

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

The Full Governing Body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sir William Borlase's Grammar School and the Secretary of State for Education. The Head Teacher is also responsible for reporting to the Full Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustee's Report and in the Statement of Trustee's responsibilities on page 16. The Governing Body has formally met six times during the reporting period. Attendance during the period at meetings of the Governing Body was as follows:

Governor		Meetings attended	Out of a possible
Mr J L Whitehead*		5	6
Mr J R Biggs		6	6
Mr T J Bownass		6	6
Mr M N Coster *	(Responsible Officer)	6	6
Mr I Duguid	(Chairman)	6	6
Mr A Handford		6	6
Dr P A Holding	(Headteacher and Accounting Officer)	6	6
Mrs J M Hopper	(Staff Governor)	5	6
Mr D R Hooper *		5	6
Mrs F M Jackson		5	6
Mrs A M Jones		5	6
Mr P J A Kelly		6	6
Mrs H Martin	(Staff Governor)	5	6
H H Judge A H Norris		4	6
Dr D Parsons	(Staff Governor)	5	6
Mr B E S Raffles *		4	6
Mrs C Redcliffe*		6	6
Mr M R Santa-Olalla		6	6

* Members of the Finance Committee

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

The Finance Committee is a sub-committee of the Full Governing Body. Its purpose is to consider and make recommendations to the Full Governing Body in respect of all financial matters relating to the Academy, including the setting of annual and strategic budgets; overseeing the financial management and procedures and ensuring compliance with legislation and EFA policy. Throughout this second company reporting period work has continued to ensure compliance with the wide variety of requirements placed upon us as an academy. The Finance Committee aims to meet monthly but avoids holiday periods. Mr Duguid joined the Finance Committee for part of the year to familiarise himself with its working. Attendance at the meetings in the reporting period was as follows:

Governor	Meetings attended	Out of a possible
Mr MN Coster	9	9
Mr I Duguid	4	5
Mr DR Hooper	7	9
Mr BES Raffles	6	9
Mrs C Redcliffe	8	9
Mr JL Whitehead	4	9

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Sir William Borlase's Grammar School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Full Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Full Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Full Governing Body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

**Sir William Borlase's Grammar School, Company number 07625556
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Governance Statement (continued)

Year ended 31 August 2013

The Full Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor; the Finance Committee undertakes the role of the Audit Committee. However, the Governors have appointed Mr M Coster, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. During the reporting period, a representative from MHA MacIntyre Hudson has conducted four Financial Process Reviews and reported their findings to the RO. The RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Full Governing Body's financial responsibilities. The Finance Committee considered each report from MHA MacIntyre Hudson along with their recommendations and, as a result, introduced some changes to the Academy Financial Procedures in the reporting period.

Review of Effectiveness

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

- The work of the staff within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- The financial management and governance self-assessment process;
- The work of the Responsible Officer;
- The work of the External Auditor.

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

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by:

.....
Mr I Duguid
Chairman

.....
Dr PA Holding
Accounting Officer

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Statement of Trustees' Responsibilities

Year ended 31 August 2013

As Accounting Officer of Sir William Borlase's Grammar School I have considered my responsibility to notify the Academy Full Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Signed

.....
Dr P A Holding
Accounting Officer
09 December 2013

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Statement of Trustees' Responsibilities

Year ended 31 August 2013

Statement of Trustees' Responsibilities

The Trustees (who are governors for the purposes of the education statute and also act as directors of Sir William Borlase's Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency (EFA).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy for the year. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2005;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy 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 Academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the DfE/EFA 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 Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

.....
Mr I Duguid
Chairman
09 December 2013

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Independent Auditor's Report to the Members of Sir William Borlase's Grammar School

Year ended 31 August 2013

We have audited the group and academy financial statements ("the financial statements") of Sir William Borlase's Grammar School for the year ended 31 August 2013 which comprise the Consolidated Statement of Financial Activities, the Group Balance Sheet, the Academy Balance Sheet, the Group Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Responsibilities of the Trustees (set out on page 16), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Independent Auditor's Report to the Members of Sir William Borlase's Grammar School *(continued)*

Year ended 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for the which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

20 December 2013

Bianca Silva
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Independent Reporting Accountant's Assurance Report on Regularity to Sir William Borlase's Grammar School and the Education Funding Agency

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 17 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir William Borlase's Grammar School during the year ended 31 August 2013 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 Sir William Borlase's Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sir William Borlase's Grammar School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sir William Borlase's Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sir William Borlase's Grammar School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Sir William Borlase's Grammar School's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Independent Reporting Accountant's Assurance Report on Regularity to Sir William Borlase's Grammar School and the Education Funding Agency (continued)

Year ended 31 August 2013

Approach (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

20 December 2013

MHA MACINTYRE HUDSON
Chartered Accountants

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Consolidated Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 15 months to 31 Aug 12 £
Incoming resources						
Incoming resources from generating funds:						
Voluntary income	2	–	28,005	–	28,005	74,170
Transfer on conversion	2	–	–	–	–	14,409,912
		–	28,005	–	28,005	14,484,082
Activities for generating funds	3	48,347	767,412	–	815,759	1,085,170
Investment income	4	763	–	–	763	684
Income from charitable activities:						
Funding for academy's educational operations	5	–	4,830,917	21,415	4,852,332	5,877,638
Total incoming resources		49,110	5,626,334	21,415	5,696,859	21,447,574
Resources expended						
Charitable activities						
Cost of generating funds	6	–	107,413	–	107,413	495,489
Charitable expenditure:	7	4,300	5,294,865	228,694	5,527,859	6,666,242
Governance costs	8	–	14,650	–	14,650	14,155
Other resources expended	9	–	–	–	–	732,000
Total resources expended		4,300	5,416,928	228,694	5,649,922	7,907,886
Net incoming/(outgoing) resources before transfers	10	44,810	209,406	(207,279)	46,937	13,539,688
Gross transfers between funds		(98,942)	(186,503)	285,445	–	–
Net (expenditure)/income for the year		(54,132)	22,903	78,166	46,937	13,539,688
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes		–	(43,000)	–	(43,000)	(274,000)
Net movement in funds		(54,132)	(20,097)	78,166	3,937	13,265,688
Reconciliation of funds						
Total funds brought forward at 1 September 2012		83,123	(652,278)	13,834,843	13,265,688	–
Total funds carried forward at 31 August 2013		£28,991	£(672,375)	£13,913,009	£13,269,625	£13,265,688

All of the academy trust's activities derive from continuing operations during the above two financial periods. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The accounting policies and notes on pages 25 to 45 form part of these financial statements.

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Consolidated Balance Sheet

31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	14	13,913,009	13,833,564
Current assets			
Debtors	15	253,269	155,872
Cash at bank		802,615	607,673
		1,055,884	763,545
Creditors: amounts falling due within one year	16	(551,268)	(298,421)
Net current assets		504,616	465,124
Total assets less current liabilities		14,417,625	14,298,688
Provisions for liabilities			
Pension scheme liability	17	(1,148,000)	(1,033,000)
Net assets including pension liability		<u>£13,269,625</u>	<u>£13,265,688</u>
Funds of the academy trust:	19		
Restricted income funds:			
Fixed asset fund		13,913,009	13,834,843
General funds		475,625	380,722
Pension reserve	17	(1,148,000)	(1,033,000)
Total restricted income funds		13,240,634	13,182,565
Unrestricted income funds:			
General fund		28,991	83,123
Total funds		<u>£13,269,625</u>	<u>£13,265,688</u>

These financial statements were approved by the Trustees, and authorised for issue on 09 December 2013 and are signed on their behalf by:

.....
 Mr I Duguid
 Chairman

.....
 Dr P A Holding
 Head

The accounting policies and notes on pages 25 to 45 form part of these financial statements.

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Academy Balance Sheet

31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	14	13,913,009	13,833,564
Current assets			
Debtors	15	253,269	145,056
Cash at bank		645,082	388,589
		898,351	533,645
Creditors: amounts falling due within one year	16	(678,860)	(287,751)
Net current assets		219,491	245,894
Total assets less current liabilities		14,132,500	14,079,458
Provisions for liabilities			
Pension scheme liability	17	(1,148,000)	(1,033,000)
Net assets including pension liability		£12,984,500	£13,046,458
Funds of the academy trust:	19		
Restricted income funds:			
Fixed asset fund		13,913,009	13,834,843
General funds		190,500	161,492
Pension reserve	17	(1,148,000)	(1,033,000)
Total restricted income funds		12,955,509	12,963,335
Unrestricted income funds:			
General fund		28,991	83,123
Total funds		£12,984,500	£13,046,458

These financial statements were approved by the Trustees, and authorised for issue on 09 December 2013 and are signed on their behalf by:

.....
 Mr I Duguid
 Chairman

.....
 Dr P A Holding
 Head

The accounting policies and notes on pages 25 to 45 form part of these financial statements.

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Consolidated Cash Flow Statement

Year ended 31 August 2013

	Note	Year to 31 Aug 13 £	15 months to 31 Aug 12 £
Net cash inflow from operating activities	24	480,902	702,337
Returns on investments and servicing of finance	25		
Interest received		<u>763</u>	<u>684</u>
Net cash inflow from returns on investments and servicing of finance		763	684
Capital expenditure	26	(286,723)	(95,348)
		<u>194,942</u>	<u>607,673</u>
Less: cash transferred on conversion		–	(312,799)
Increase in cash in the year		<u><u>£194,942</u></u>	<u><u>£294,874</u></u>
Reconciliation of net cash flow to movement in net funds			
		2013	2012
		£	£
On conversion		–	312,799
Net funds at 1 September 2012		<u>607,673</u>	–
Increase in cash in the year		<u>194,942</u>	<u>294,874</u>
Net funds at 31 August 2013		<u><u>£802,615</u></u>	<u><u>£607,673</u></u>

The accounting policies and notes on pages 25 to 45 form part of these financial statements.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Accounting Policies

Year ended 31 August 2013

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Academy and all Group undertakings. These are adjusted where appropriate, to conform to Group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent undertaking is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006.

The only subsidiary undertaking is the Sir William Borlase's Grammar School Fund which is a separate charity under the control of the Academy. Income and expenditure of the School Fund are included in the Academy's Statement of Financial Activities as single lines shown in notes 2 and 7 to the financial statements. The assets and liabilities are aggregated with those of the Academy's on the consolidated balance sheet.

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is received and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the restricted fixed asset fund

Donations

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

Other income

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

Donated Services and Gifts in Kind

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

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Accounting Policies

Year ended 31 August 2013

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Fixed assets

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.

Assets transferred at inception have been included at the estimated depreciated replacement cost.

Depreciation on fixed 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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Sir William Borlase's Grammar School, Company number 07625556 Company Limited by Guarantee

Accounting Policies

Year ended 31 August 2013

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% per annum
Equipment	-	15% per annum
Fixtures & fittings	-	33% per annum
Motor vehicles	-	15% per annum

Operating lease agreements

Rentals under operating leases are charged on a straight line basis over the lease term.

Pension costs

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Going concern

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

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.

**Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee**

Accounting Policies

Year ended 31 August 2013

Conversion to academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the predecessor school to the Academy Trust have been valued at their estimated depreciated replacement cost being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost is in accordance with the accounting policies set out for Sir William Borlase's Grammar School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The Land & Buildings of the academy are held on a 125 year lease. Further details of the transaction are set out in note 21.

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

1. General annual grant

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended at 31 August 2013.

2. Voluntary income

	Restricted Funds £	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 2012 £
Transfer from Local Authority on conversion	–	–	14,185,569
Transfer from School fund on conversion			224,343
Donations	17,000	17,000	32,340
Other grants	11,005	11,005	41,830
	<u>28,005</u>	<u>28,005</u>	<u>14,484,082</u>

3. Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 2012 £
Rental income	48,347	–	48,347	53,090
School uniform	–	–	–	125
School sports partnership	–	–	–	3,254
Rowing club income	–	23,333	23,333	85,649
School trips	–	430,722	430,722	135,700
School fund income	–	173,308	173,308	490,376
Other income	–	140,049	140,049	316,976
	<u>48,347</u>	<u>767,412</u>	<u>815,759</u>	<u>1,085,170</u>

4. Investment income

	Unrestricted Funds £	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 2012 £
Bank interest receivable	763	763	684
	<u>763</u>	<u>763</u>	<u>684</u>

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

5. Funding for academy's educational operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 2012 £
DfE/EFA grants				
General Annual Grant (GAG) (note 1)	4,748,475	–	4,748,475	5,797,915
Other government grants	18,575	–	18,575	32,413
Devolved formula capital	–	21,415	21,415	20,639
Other EFA income	5,000	–	5,000	–
	<u>4,772,050</u>	<u>21,415</u>	<u>4,793,465</u>	<u>5,850,967</u>
Other Government grants				
Local authority grants	13,277	–	13,277	26,671
BLP grants	45,590	–	45,590	–
	<u>58,867</u>	<u>–</u>	<u>58,867</u>	<u>26,671</u>
	<u>4,830,917</u>	<u>21,415</u>	<u>4,852,332</u>	<u>5,877,638</u>

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 12 £
Costs of generating voluntary income:					
School fund expenditure	–	–	107,413	107,413	495,489
Academy's educational operations:					
Direct costs	3,303,054	74,037	797,190	4,174,281	4,965,021
Support costs	539,192	564,210	250,176	1,353,578	1,701,221
	<u>3,842,246</u>	<u>638,247</u>	<u>1,047,366</u>	<u>5,527,859</u>	<u>6,666,242</u>
Governance costs including allocated support costs	3,113	–	11,537	14,650	14,155
	<u>3,845,359</u>	<u>638,247</u>	<u>1,166,316</u>	<u>5,649,922</u>	<u>7,175,886</u>

Sir William Borlase's Grammar School, Company number 07625556
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 2012 £
Direct costs:					
Teaching and educational support staff	–	2,587,017	–	2,587,017	3,267,866
Education support staff	–	673,710	–	673,710	771,227
Travel and subsistence	–	5,988	–	5,988	4,249
Staff development	–	19,033	–	19,033	28,020
Educational equipment	–	248,600	–	248,600	322,077
School trip expenditure	–	419,965	–	419,965	345,514
Examination fees	–	103,603	–	103,603	142,064
Agency supply teaching staff	–	42,328	–	42,328	24,114
Depreciation	–	–	74,037	74,037	53,460
Other	–	–	–	–	6,430
	<u>–</u>	<u>4,100,244</u>	<u>74,037</u>	<u>4,174,281</u>	<u>4,965,021</u>
Allocated support costs:					
Administrative and clerical staff	–	432,307	–	432,307	433,343
Premises staff	4,300	102,585	–	106,885	131,732
Recruitment and support	–	25,047	–	25,047	20,627
Maintenance of premises	–	126,580	–	126,580	156,820
Cleaning	–	95,425	–	95,425	117,435
Water and sewerage	–	5,474	–	5,474	7,087
Energy	–	91,134	–	91,134	121,698
Security and transport	–	20,252	–	20,252	26,079
Rates	–	35,907	–	35,907	33,035
Other occupation costs	–	6,558	–	6,558	7,990
Catering	–	7,355	–	7,355	16,628
Bank interest	–	75	–	75	114
Professional fees	–	131,300	–	131,300	212,345
Premises insurance	–	61,239	–	61,239	70,974
Administration expenses	–	46,390	20,879	67,269	167,790
Other support costs	–	6,994	–	6,994	11,981
Depreciation	–	–	133,777	133,777	165,543
	<u>4,300</u>	<u>1,194,622</u>	<u>154,656</u>	<u>1,353,578</u>	<u>1,701,221</u>
	<u><u>4,300</u></u>	<u><u>5,294,866</u></u>	<u><u>228,693</u></u>	<u><u>5,527,859</u></u>	<u><u>6,666,242</u></u>

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Year ended 31 August 2013

8. Governance costs

	Restricted Funds	Total Funds 12 months to 31 Aug 13	Total Funds 15 months to 31 Aug 2012
	£	£	£
Staff costs	3,113	3,113	3,064
Accountancy fees	1,999	1,999	1,582
Audit fees	8,000	8,000	7,750
Costs of trustees' meetings	1,538	1,538	1,759
	<u>14,650</u>	<u>14,650</u>	<u>14,155</u>

9. Other resources expended

	Total Funds 12 months to 31 Aug 13	Total Funds 15 months to 31 Aug 2012
	£	£
Defined benefit pension scheme deficit transferred on conversion	–	732,000
	<u>–</u>	<u>732,000</u>

10. Net (outgoing)/incoming resources for the year

This is stated after charging:

	Total Funds 12 months to 31 Aug 13	Total Funds 15 months to 31 Aug 2012
	£	£
Staff pension contributions	551,150	604,581
Operating leases		
Other	22,828	27,187
Fees payable to auditor:		
Audit	8,000	7,750
Other services	13,711	1,582
Depreciation	<u>207,814</u>	<u>219,003</u>

11. Staff costs and emoluments

	Total Funds 12 months to 31 Aug 13	Total Funds 15 months to 31 Aug 2012
	£	£
Wages and salaries	3,000,118	3,722,179
Social security costs	226,263	280,472
Other pension costs	551,150	604,581
	<u>3,777,531</u>	<u>4,607,232</u>
Agency supply teachers	42,328	24,115
Compensation payments	25,500	–
	<u>3,845,359</u>	<u>4,631,347</u>

**Sir William Borlase's Grammar School, Company number 07625556
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Notes to the Financial Statements

Year ended 31 August 2013

11. Staff costs and emoluments (continued)

Particulars of employees:

The average number of persons (including senior management team) employed by the academy trust during the year,	12 months 2013	15 months 2012
Teachers	49	48
Administration and support	36	33
Management	6	6
	<u>91</u>	<u>87</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2013	2012
£60,000 to £69,999	1	1
£90,000 to £99,999	-	1
£100,000 to £109,999	1	-
	<u>2</u>	<u>2</u>

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £23,405.

12. Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governors' remuneration, including pension contributions, in the period to 31 August 2013 was as follows:

	Total Funds 12 months to 31 Aug 13 £	Total Funds 15 months to 31 Aug 2012 £
Headteacher	£114,132	£138,510
Trustee 2	£45-49,000	£60-65,000
Trustee 3	£30-35,000	£20-25,000
Trustee 4	£0-5,000	£70-75,000
Trustee 5	£40-45,000	£nil

During the year ended 31 August 2013, no travel and subsistence expenses were reimbursed to governors (2012: £53 to two governors).

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Year ended 31 August 2013

13. Governors' and officers' insurance

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. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,038 (2012: £1,540)

14. Tangible fixed assets

	Leasehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2012	13,746,352	281,787	–	24,428	14,052,567
Additions	196,752	35,722	75,664	–	308,138
Disposals	–	(25,079)	–	–	(25,079)
At 31 August 2013	<u>13,943,104</u>	<u>292,430</u>	<u>75,664</u>	<u>24,428</u>	<u>14,335,626</u>
Depreciation					
At 1 September 2012	165,818	48,605	–	4,580	219,003
Charge for the year	133,777	45,716	24,657	3,664	207,814
On disposals	–	(4,200)	–	–	(4,200)
At 31 August 2013	<u>299,595</u>	<u>90,121</u>	<u>24,657</u>	<u>8,244</u>	<u>422,617</u>
Net book value					
At 31 August 2013	<u>13,643,509</u>	<u>202,309</u>	<u>51,007</u>	<u>16,184</u>	<u>13,913,009</u>
At 31 August 2012	<u>13,580,534</u>	<u>233,182</u>	<u>–</u>	<u>19,848</u>	<u>13,833,564</u>

15. Debtors

	Group		Academy	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	745	5,228	745	5,228
VAT recoverable	80,050	69,950	80,050	69,950
Prepayments and accrued income	172,474	80,694	172,474	69,878
	<u>253,269</u>	<u>155,872</u>	<u>253,269</u>	<u>145,056</u>

16. Creditors: Amounts falling due within one year

	Group		Academy	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	34,310	94,921	34,310	94,921
Taxation and social security	69,110	70,438	69,110	70,438
Other creditors	44,541	80,078	172,132	80,078
Accruals and deferred income	403,307	52,984	403,307	42,314
	<u>551,268</u>	<u>298,421</u>	<u>678,860</u>	<u>287,751</u>

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Year ended 31 August 2013

17. Pensions and similar obligations

The academy'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 Buckinghamshire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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Year ended 31 August 2013

17. Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £269,000, of which employer's contributions totalled £202,000 and employees' contributions totalled £67,000. The agreed contribution rates for future years are 22.8 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

Principal actuarial assumptions

	At 31 Aug 2013	At 31 Aug 2012
	%	%
Discount rate	4.7	3.9
Rate of increase in salaries	5.1	4.1
Rate of increase in pensions payment	2.9	1.9
Inflation - CPI	2.9	1.9
RPI Increase	3.7	2.7

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Year ended 31 August 2013

17. Pensions and similar obligations (continued)

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

	At 31 August 2013	At 31 August 2012
Retiring today		
Males	20.1	20.0
Females	24.1	24.0
Retiring in 20 years		
Males	22.1	22.0
Females	26.0	25.9

Sensitivity analysis

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,063	2,120	2,179
Projected service cost	245	253	261
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	2,042	2,120	2,200
Projected service cost	242	253	265

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£	%	£
Equities	6.5	690,000	5.8	408,000
Bonds	4.4	78,000	3.9	64,000
Property	6.0	68,000	5.3	51,000
Cash	0.5	19,000	0.5	13,000
Gilts	3.5	39,000	2.8	102,000
Alternative Assets	6.5	78,000	5.8	—
Total market value of assets		972,000		638,000
Present value of scheme liabilities - funded		(2,120,000)		(1,671,000)
Deficit in the scheme		(1,148,000)		(1,033,000)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

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Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2013	2012
	£	£
Current service cost (net of employee contributions)	236,000	190,000
Interest on obligation	70,000	76,000
Expected return on scheme assets	(39,000)	(36,000)
Total operating charge	267,000	230,000

Analysis of pension finance income/(costs)

	2013	2012
	£	£
Expected return on pension scheme assets	39,000	36,000
Interest on pension liabilities	(70,000)	(76,000)
Pension finance income/(costs)	(31,000)	(40,000)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is £317,000 (2012: £274,000).

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.

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

	2013	2012
	£	£
At 1 September 2012	1,671,000	1,050,000
Current service cost	236,000	190,000
Interest on pension liabilities	70,000	76,000
Employee contributions	67,000	70,000
Actuarial (loss)	116,000	285,000
Estimated benefits paid (net of transfers in)	(47,000)	–
Losses (gains) on curtailments	7,000	–
At 31 August 2013	2,120,000	1,671,000

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

	2013	2012
	£	£
At 1 September 2012	638,000	318,000
Expected return on pension scheme assets	39,000	36,000
Actuarial gain	73,000	11,000
Employer contributions	202,000	203,000
Employee contributions	67,000	70,000
Estimated benefits paid (net of transfers in and including unfunded)	(47,000)	–
At 31 August 2013	972,000	638,000

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Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations (continued)

Reconciliation of opening and closing deficit:

	2013	2012
	£	£
Deficit at 1 September 2012	(1,033,000)	-
Deficit transferred on conversion	-	(732,000)
Current service cost (net of employee contributions)	(236,000)	(190,000)
Employer contributions	202,000	203,000
Other finance income/(costs)	(31,000)	(40,000)
Actuarial gain/(loss)	(43,000)	(274,000)
Losses (gains) on curtailments	(7,000)	-
Deficit at 31 August 2013	<u>(1,148,000)</u>	<u>(1,033,000)</u>

The two year history of experience adjustments is as follows:

	2013	2012
	£	£
Present value of defined benefit obligations	(2,120,000)	(1,671,000)
Fair value of share of scheme assets	972,000	638,000
Deficit in the scheme	<u>(1,148,000)</u>	<u>(1,033,000)</u>
Experience adjustments on share of scheme assets		
Amount (£)	73,000	11,000
Amount (%)	8	3

18. Commitments under operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>21,272</u>	<u>14,768</u>

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Notes to the Financial Statements

Year ended 31 August 2013

19. Funds Group

	Balance at 1 Sep 12 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013 £
Restricted general funds						
General annual grant (GAG)	60,796	4,748,475	(4,805,224)	–	72,000	76,047
Other DfE/EFA grants	–	23,575	(23,575)	–	–	–
Defined benefit pension scheme	(1,033,000)	–	–	(43,000)	(72,000)	(1,148,000)
Other local authority grants	–	13,277	(13,277)	–	–	–
Pupil activities	41,970	430,722	(419,965)	–	–	52,727
Funds transferred from local authority school	58,726	–	–	–	–	58,726
School fund	219,230	173,308	(107,413)	–	–	285,125
Other restricted funds	–	236,977	(47,474)	–	(186,503)	3,000
	<u>(652,278)</u>	<u>5,626,334</u>	<u>(5,416,928)</u>	<u>(43,000)</u>	<u>(186,503)</u>	<u>(672,375)</u>
Restricted fixed asset funds						
DfE/EFA capital grant	1,279	21,415	–	–	(22,694)	–
Fixed assets transferred from the local authority	13,833,564	–	(228,694)	–	308,139	13,913,009
	<u>13,834,843</u>	<u>21,415</u>	<u>(228,694)</u>	<u>–</u>	<u>285,445</u>	<u>13,913,009</u>
Total restricted funds	<u>13,182,565</u>	<u>5,647,749</u>	<u>(5,645,622)</u>	<u>(43,000)</u>	<u>98,942</u>	<u>13,240,634</u>
Unrestricted funds						
General unrestricted funds	83,123	49,110	(4,300)	–	(98,942)	28,991
Total unrestricted funds	<u>83,123</u>	<u>49,110</u>	<u>(4,300)</u>	<u>–</u>	<u>(98,942)</u>	<u>28,991</u>
Total funds	<u>13,265,688</u>	<u>5,696,859</u>	<u>(5,649,922)</u>	<u>(43,000)</u>	<u>–</u>	<u>13,269,625</u>

The transfer between funds and restricted fixed asset funds represents amounts capitalised during the period less amounts funded from devolved formula capital grant. The transfer from LGPS pension fund to General Annual Grant fund of £72,000 represents the additional pension cost in the period.

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

- General annual grant to be spent on educational purposes as specified by the EFA.
- Defined benefit pension scheme deficit represents the future pension funding requirements which will be met from future employer pension contributions.
- Pupil activities represent balances to be spent on future school trips and other school fund activities.
- Funds from local authority school are to be spent on educational activities by the academy.
- Restricted fixed assets are funds representing the amounts invested in fixed assets.

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Year ended 31 August 2013

19. Funds (continued)
Academy

	Balance at 1 Sep 12 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013 £
Restricted general funds						
General annual grant (GAG)	60,796	4,748,475	(4,805,224)	–	72,000	76,047
Other DfE/EFA grants	–	23,575	(23,575)	–	–	–
Defined benefit pension scheme	(1,033,000)	–	–	(43,000)	(72,000)	(1,148,000)
Other local authority grants	–	13,277	(13,277)	–	–	–
Pupil activities	41,970	430,722	(419,965)	–	–	52,727
Funds transferred from local authority school	58,726	–	–	–	–	58,726
Other restricted funds	–	236,977	(47,474)	–	(186,503)	3,000
	<u>(871,508)</u>	<u>5,453,026</u>	<u>(5,309,515)</u>	<u>(43,000)</u>	<u>(186,503)</u>	<u>(957,500)</u>
Restricted fixed asset funds						
Devolved formula capital	1,279	21,415	–	–	(22,694)	–
Fixed assets transferred from the local authority	13,833,564	–	(228,694)	–	308,139	13,913,009
	<u>13,834,843</u>	<u>21,415</u>	<u>(228,694)</u>	<u>–</u>	<u>285,445</u>	<u>13,913,009</u>
Total restricted funds	<u>12,963,335</u>	<u>5,474,441</u>	<u>(5,538,209)</u>	<u>(43,000)</u>	<u>98,942</u>	<u>12,955,509</u>
Unrestricted funds						
General unrestricted funds	83,123	49,110	(4,300)	–	(98,942)	28,991
Total unrestricted funds	<u>83,123</u>	<u>49,110</u>	<u>(4,300)</u>	<u>–</u>	<u>(98,942)</u>	<u>28,991</u>
Total funds	<u>13,046,458</u>	<u>5,523,551</u>	<u>(5,542,509)</u>	<u>(43,000)</u>	<u>–</u>	<u>12,984,500</u>

The transfer between funds and restricted fixed asset funds represents amounts capitalised during the period less amounts funded from devolved formula capital grant. The transfer from LGPS pension fund to General Annual Grant fund of £72,000 represents the additional pension cost in the period.

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

- General annual grant to be spent on educational purposes as specified by the EFA.
- Defined benefit pension scheme deficit represents the future pension funding requirements which will be met from future employer pension contributions.
- Pupil activities represent balances to be spent on future school trips and other school fund activities.
- Funds from local authority school are to be spent on educational activities by the academy.
- Restricted fixed assets are funds representing the amounts invested in fixed assets.

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Year ended 31 August 2013

20. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Group				
Tangible fixed assets	–	–	13,913,009	13,913,009
Current assets	28,991	1,026,893	–	1,055,884
Current liabilities	–	(551,268)	–	(551,268)
Pension scheme liability	–	(1,148,000)	–	(1,148,000)
	<u>28,991</u>	<u>(672,375)</u>	<u>13,913,009</u>	<u>13,269,625</u>
	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Academy				
Tangible fixed assets	–	–	13,913,009	13,913,009
Current assets	28,991	869,360	–	898,351
Current liabilities	–	(678,860)	–	(678,860)
Pension scheme liability	–	(1,148,000)	–	(1,148,000)
	<u>28,991</u>	<u>(957,500)</u>	<u>13,913,009</u>	<u>12,984,500</u>

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Notes to the Financial Statements

Year ended 31 August 2013

21. Conversion to an Academy Trust

On 1 June 2011 the predecessor school converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Academy Trust from the Buckinghamshire County Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets				
Freehold/leasehold land & buildings	–	–	13,679,206	13,679,206
Other tangible fixed assets	–	–	278,013	278,013
Budget surplus/(deficit) on LA funds	–	58,726	–	58,726
Budget surplus/(deficit) on other school funds	–	393,697	–	393,697
LGPS pension surplus/(deficit)	–	(732,000)	–	(732,000)
Net assets/(liabilities)	<u>–</u>	<u>(279,577)</u>	<u>13,957,219</u>	<u>13,677,642</u>

The above net assets include £312,799 that was transferred as cash.

The budget surplus on other school funds includes £223,343 as the opening position of the Sir William Borlase's Grammar School Fund at 1 September 2011.

22. Ultimate controlling party

There is no ultimate controlling party.

23. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

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Year ended 31 August 2013

24. Reconciliation of net (outgoing)/incoming resources before transfers to net cash inflow from operating activities

	2013	2012
	£	£
Net incoming resources before transfers	46,937	13,539,688
Fixed assets transferred from local authority on conversion	-	(13,957,219)
Capital funding received from sponsors and others	(21,415)	-
Depreciation and loss on disposal of fixed assets	228,693	219,003
Pension transferred from local authority on conversion	-	732,000
School fund non-cash liabilities transferred on conversion	-	77,498
Interest receivable	(763)	(684)
FRS 17 pension cost less contributions payable	34,000	(13,000)
FRS 17 pension finance income	31,000	40,000
FRS 17 settlement	7,000	-
Decrease/(increase)in debtors	(97,397)	(155,572)
(Decrease)/increase in creditors	252,847	220,623
Net cash inflow from operating activities	480,902	702,337

25. Returns on investments and servicing of finance

	2013	2012
	£	£
Interest received	763	684

26. Capital expenditure

	2013	2012
	£	£
Purchase of tangible fixed assets	308,138	95,348
Capital funding received from sponsors and others	(21,415)	-
Net cash outflow from capital expenditure and financial investment	286,723	95,348

27. Analysis of changes in net funds

	1 Sep 12	Cash flows	31 Aug 13
	£	£	£
Cash at bank	607,673	194,942	802,615

28. Members' liability

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