Company Registration Number: 07827591 (England & Wales)

Borden Grammar School Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2022

Borden Grammar School Trust
(A Company Limited by Guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditors' report on the financial statements	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities incorporating income and expenditure account	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 42

Borden Grammar School Trust
(A company limited by guarantee)

Reference and administrative details of the academy, its trustees and advisers for the year ended 31 August 2022

Members	Y Herbert H Hendry V Meacham (resigned 25 January 2022) M Johnson D Stannett (appointed 5 September 2022) G Franks (appointed 12 September 2022)
Trustees	H Hendry (resigned 13 October 2021) C Browne C Easton (resigned 13 October 2021) Y Herbert T Hewett, Staff Trustee (resigned 1 September 2022) S Mendoza (Chair of Trustees) V Meacham (resigned 25 January 2022) M Johnson E Carter, Staff Trustee (resigned 31 August 2022) D Watkin M Bailey G Franks (resigned 1 October 2022) A Tomlin, Headteacher and Accounting Officer (Ex-Officio) J Weller, Staff Trustee (resigned 11 November 2021) E Sutehall N Wood (appointed 29 April 2022)
Company registered number	07827591
Company name	Borden Grammar School Trust
Principal and registered office	Avenue of Remembrance Sittingbourne Kent ME10 4DB
Company secretary	L Reynolds (appointed 27 September 2021)
Senior management team (at date of approval)	A Tomlin, Headteacher G Mulligan, Deputy Headteacher R Artingstoll, Assistant Headteacher (left employment 31 August 2022) C Brinn, Assistant Headteacher M Brooker, Assistant Headteacher R Powell, Assistant Headteacher (appointed 01 September 2022) L Reynolds, Bursar (from 27 September 2021)
Bankers	Natwest Bank PLC 2nd Floor, County Gate 2 Staceys Street, Maidstone Kent. ME14 1ST
Auditors	UHY Kent LLP trading as UHY Hacker Young Thames House Roman Square Sittingbourne Kent ME10 4BJ
Solicitors	Stone King LLP, Boundary House, 91 Charterhouse Street, Barbican, London EC1M 6HR

Trustees' report
For the year ended 31 August 2022

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year ended 31 August 2022. The annual report serves the purpose of both a trustees' report and a directors' report for the purposes of company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The trustees act as the directors of the academy trust for the purposes of company law. Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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

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

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

Principal activities
The academy trust took over the operation of Borden Grammar School on the school's conversion to academy status on 1 January 2012. Since then the academy trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 11 and 18. The school has a pupil capacity of 850 and had a roll of 856 in the school autumn census submitted in October 2021.

Method of recruitment and appointment or election of trustees
Under the terms of its Articles, the academy trust shall have the following trustees:

- Up to sixteen trustees, appointed by the members;
- Up to one LA trustee, appointed by the LA;
- A minimum of two parent trustees, elected by the parents of registered pupils at the academy;
- The Headteacher;
- Any additional or further trustees, appointed by the Secretary of State as he thinks fit,

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

The trustees shall each school year, at their first meeting in that year, elect a chairman and a vice-chairman from among their number. A trustee who is employed by the academy trust shall not be eligible for election as chairman or vice-chairman. The trustees who were in office at 31 August 2022 and served throughout the year, except where shown, are listed on page 1.

Policies and procedures adopted for the induction and training of trustees
During the year under review the Full Board of Trustees met six times and there were thirteen committee meetings. The training and induction provided for new trustees was dependent on their existing experience. Where necessary training was provided on charity and educational legal and financial matters. All new trustees were given a tour of the academy and the chance to meet with staff and students. All trustees were provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they would need to undertake their role as trustees. As changes to the board of trustees are infrequent induction tends to be done informally and is tailored specifically to the individual.

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel
The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1. Details of the arrangements for setting the academy's pay and remuneration are set out in the school policies for firstly Pay, and secondly Appraisal. These policies detail the procedures for applying to go through threshold and/or pay progression, which is not automatic. The processes apply equally to the leadership group, teaching staff and support staff.

Total remuneration paid to senior management personnel is set out in note 11(d).

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	Full time equivalent employee number (as union officials)
1	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	1
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£7,672
Total pay bill	£3,787,079
Percentage of the total pay bill spent on facility time	0.2%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0

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

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

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

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

Sittingbourne Hockey Club (formerly Old Bordenian Hockey Club) donate to the school on occasion.

The Williams Barrow's Charity, registration number 1172933 on occasion provides grants to the school to assist with education and hardship under the Educational and Eleemosynary Foundations.

The trustees have concluded that none of the above entities are under the control of the academy trust.

Risk management
The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, school trips, Brexit and the Covid 19 Pandemic) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls.

OBJECTIVES AND ACTIVITIES

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

Objective, strategies and activities
The main objectives of the academy trust during the year ended 31 August 2022 are summarised below:

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

The academy trust's main strategy is encompassed in its mission statement, "Developing minds, creating futures and striving forward together" which aims to provide a supportive and inclusive academic environment nurturing our students to become courageous, creative and resilient in their response to challenge and to be respectful and kind to others. The Borden ethos develops a drive for achievement and personal development, allowing our young people to grow; reaching their full potential and so leading the way to a better future.

To this end the activities provided include:

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

Trustees' report
For the year ended 31 August 2022

Public benefit
Borden Grammar School is a state funded Grammar School and strives to promote and support the advancement of education within the Swale area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.
Wherever possible the school also aims to contribute to the benefit of the wider public, through the provision of incidental educational and other activities. The students and staff are regularly involved in charitable activities, such as sponsored events and fundraising events and some profit made from school productions is donated to a charity agreed upon by the students via the School Council. Over the year the contributions that normally benefit the local community included the following, however, due to the Covid 19 pandemic, these were limited this year:

- Curriculum support to Primary Schools via Middle Leader support and the Aim Higher Club;
- Regular letting of school facilities to 5th Sittingbourne Scout Group and The Dog Training Company;
- Ad hoc letting of facilities to organisations for fundraising events
- Letting of facilities for annual events organised by Sittingbourne Scout Group and Old Bordenians Association
- Letting to the Parents and Friends Association for their annual events i.e. Quiz

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

STRATEGIC REPORT

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

- 97% of GCSE students achieved 5 or more 9-4 / A *-C grades inc. English & Mathematics at grade 4;
- 86% of GCSE students achieved 5 or more 9-5 grades inc. English and Maths at grade 5;
- 43% of GCSE grades achieved were 9-7;
- 90% of students entered for the Ebacc achieved the standard pass and 78% a strong pass (48% of students were entered);
- 97% of Year 13 achieved A* to E grades in their level 3 qualifications;
- 24% of Year 13 achieved A*/A grades in their level 3 qualifications;
- 54% of Year 13 achieved A*-B grades in their Level 3 qualifications;
- Progress 8 Score 0.04

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

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

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

In recent years Borden has improved its financial position and general financial stability by attracting stronger student numbers into the school. In key stage 3, all year groups are at or beyond full capacity. The school is currently beyond pan in key stage 3 and 4 and it is anticipated that numbers will grow as the school moves to a five-form entry from 2021, initially taking a bulge year, but through consultation, expanding permanently. The school has historically had waiting lists for every year group, hence the move to five form entry. In part this reflects the fact that Ofsted has judged the school to be "Good" in the last three inspections in November 2013, 2016 & 2021 respectively. In addition, the school benefits from a strong reputation in the local community due to the professionalism of staff, the conduct of students and support from the parent body alike.

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

Trustees' report
For the year ended 31 August 2022

FINANCIAL REVIEW

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding, and also other income such as catering, and 6th Form partnership income. Total income for the year was £5.01m, up compared to £4.77m in the previous year.

The increase in income is largely attributable to a £107k increase in core funding from the ESFA, together with re-organisation funding of £128k from the Local Authority.

Income for the year has not been sufficient to cover total expenditure of £5.2m, resulting in net expenditure for the year of £157k *(2021: net expenditure of £60k),* as shown on the SoFA. The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was an increase of £1.7m *(2021: reduction of £178k).* Neither the net expenditure or the overall movement in funds does not reflect a meaningful operational result since these figures include movements that do not relate to day-to-day running of the academy.

The table below has been included to reconcile from the overall movement in funds to the increase in revenue funds during the year, £309k, by excluding movements on tangible fixed assets and the LGPS defined benefit pension liability. The table then reconciles to the operational surplus arising prior to the investment of revenue funding in capital works:

	2022 (£000s)	2021 (£000s)
Overall net movement in funds for the year per SoFA	**1,699**	**(179)**
Add:		
Decrease / (increase) attributable to fixed asset fund	204	132
LGPS actuarial (gain)/loss	(1,856)	118
LGPS service and interest costs	262	195
Increase in revenue funds during the year	**309**	**266**
Add: Transfers from revenue to capital to fund fixed asset additions	10	69
Operational surplus on revenue funds before transfers to capital	**319**	**335**

This year the pension scheme movements, and in particular the actuarial gain of £1.86m, are very significant. This gain arises following changes to key assumptions used by the actuary when compiling their report, explained in more detail in note 2. Our auditors have indicated that all academy trusts are seeing dramatic reductions in their LGPS deficits during 2021/22.

At 31 August 2022, the net book value of fixed assets was £8.96m and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academy, the only exceptions to this being limited letting of the premises to local community groups.

Financial position
The academy trust held fund balances at 31 August 2022 of £9.69m *(2021: £7.99m).* These funds comprise restricted fixed asset funds of £8.96m, restricted revenue funds of £697k, unrestricted revenue funds of £341k, plus a pension fund showing a deficit of £303k.

The pension reserve is the only fund in deficit, and the reduction in the liability in the year has been explained in the financial review above. This deficit does not mean that an immediate liability crystallises. The accounting deficit has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions.

Reserves policy
The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees will endeavor to maximize the reserves, however, not by neglecting the funding for each individual student.

Investment Policy
The academy Trust has no investments. Should this change in the future, Investment policy would need to be devised and approved by the Trustees along with the objectives intended.

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

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service, competition from other schools with similar objectives and little scope for differentiation. It also includes the capacity of existing buildings to deliver teaching and learning to students. The school is very close to maximum capacity and this could be a real issue linked to possible increases in KS2 student numbers that are coming through in Swale, however with the planned expansion due for completion in 2023 this risk will be mitigated. During the academic year 2021-22, the school, like many others, managed sustainability through the Covid 19 pandemic, with minimal disruption regarding business continuity. Trustees have planned for future periods by agreeing to the investment of £300,000 into building improvements and also is exploring becoming art of a Multi Academy Trust.

- *Finance risk* - The risk of the academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate as inflation over the coming years and the ongoing costs of unfunded pay increases and rising energy costs. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the academy is required to pay. There is also risks in connection with the Teachers' Pension employer contribution increase and sustaining ongoing payments should the support for this increase from DfE cease.

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

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

- *Liquidity risk* - the trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Trustees review the amount of surplus cash and invest as appropriate so as to maximise interest income.

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

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

FUNDRAISING
During the academic year 2021-22, Borden Grammar School has not worked with any professional fundraising organisations.

Other than asking parents to consider contributing to the school voluntary fund, the school has not approached members of the public with any requests to provide donations. The school bids to several charities/organisations who offer grants.

Normally the Parent and Friends Association (PFA) run a few fundraising events each year (i.e. Quiz and Christmas Fair).

The trustees will ensure any fundraising by the school adheres to the relevant requirements as detailed in the Charity fundraising: a guide to trustee duties (CC20).

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

DISABLED PERSONS
Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the ground floor areas of the academy trust buildings. Improvements to classrooms have been made by purchasing contrasting tables and chairs to support visually impaired students. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

PLANS FOR FUTURE PERIODS

The trustees' main plans for future periods are:

- To enhance strategies to support improving learning of all students, but particularly those that have developed due to gaps in knowledge and understanding caused by school closure during the pandemic. The aim will be that no student is disadvantaged, in particular those in years 11, 12 and 13 and those who are disadvantaged.
- To use the greater financial flexibility gained from academy status to modernise, update and expand significant areas of pupils' learning environment.
- To offer support for the newly appointed headteacher in bringing about the new school improvement plan
- To work with the local authority to expand Borden's numbers supported by a new building.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 28 to the financial statements.

The trust also holds funds as agent for the separate Borden Grammar School Trust referred to in the connected entities section earlier in this report. Again details are disclosed in note 28.

AUDITORS

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young indicated their willingness to remain in office, and the audit process was reviewed in detail.

This report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company's directors, and signed on the Board of Trustees' behalf by:

S Mendoza
Chair of Trustees

A Tomlin
Headteacher and Accounting Officer, Ex-Officio

Date: 6 December 2022

Governance Statement
For the year ended 31 August 2022

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Borden Grammar School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities.

The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows.

Trustee	Meetings attended	Out of a possible
M Bailey	4	6
C Browne	5	6
E Carter, Staff Trustee	3	6
C Easton (resigned 13 October 2021)	0	1
G Franks	0	6
H Hendry (resigned 13 October 2021)	1	1
Y Herbert	6	6
T Hewett, Staff Trustee	5	6
M Johnson	4	6
S Mendoza (Chair of Trustees)	6	6
V Meacham (resigned 25 January 2022)	0	2
E Sutehall	6	6
A Tomlin (Headteacher and Accounting Officer)	6	6
D Watkin	4	6
J Weller (resigned 11 November 2021)	0	1
N Wood (appointed 29 April 2022)	1	2

The Full board of Trustees met 6 times and therefore met the minimum number of times stipulated in the Academy Trust Handbook. The full board were also invited to the Finance & Resources Committee meeting on 21 June 2022 at which the budget forecast for 2022-23 was approved. The board are therefore confident that effective oversight was maintained through the above and the regular sub-committee meetings, including the Finance & Resources Committee as disclosed below.

Ofsted met with key trustees as part of their November 2021 Inspection. Ofsted's evaluation of the work of the trustees helped to inform a judgment that the school 'continues to be good' and the strength of leadership is recognized throughout the report.

Secondly, the trustees have taken steps to ensure that the capacity of the trustees to uphold standards in the school through careful succession planning is in place. This has been reflected in the distribution of trustees across sub-committees and within the leadership of trustee sub-committees. In addition trustees have been particularly active in securing and listening to student voice within trustee visits to inform their views of the school and the effectiveness of both teaching and pastoral care. In turn this has informed how the Standards Committee reviews the quality of teaching and learning and the priorities for the School Improvement Plan in 2021-22.

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

Attendance at Finance & Resources Committee meetings in the year is shown on the next page:

Governance Statement
For the year ended 31 August 2022

Trustee	Meetings attended	Out of a possible
M Bailey	3	5
C Browne (Chair of Finance committee)	5	5
E Carter	5	5
Y Herbert	5	5
T Hewett	5	5
V Meacham	0	3
S Mendoza	5	5
A Tomlin (Headteacher and Accounting Officer)	5	5
D Watkin	4	5

In addition, all Trustees have access to monthly monitoring accounts, including budget monitoring, cash flow reports and balance sheets.

Conflicts of Interest

Conflicts of Interest are checked regularly by way of an annual statement from each trustee as well as confirmation at each Full Board and Committee meeting. Were there to be any conflict of interest declared the individual would not be able to take part in the agenda item discussion or voting. This would be documented by the Clerk to Trustees.

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Borden Grammar School Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees 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 board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 board of trustees;
- regular reviews by the Finance & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and appointed McCabe Ford Williams, a firm of chartered accountants with experience working with in the academy sector, to conduct a programme of enhanced internal scrutiny reviews during the 2021/22 year.

These internal scrutiny reviews help to provide assurance that appropriate systems are in place and these are operating efficiently throughout the year. In 2021/22 checks were carried out covering the following areas:

- procurement
- governance
- benchmarking

Governance Statement
For the year ended 31 August 2022

Narrative reports are issued to the board of trustees after each visit through the Finance & Resources Committee. An annual summary report is prepared outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

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

- the work of the internal auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor.

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

Review of Value for money

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

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

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

At Borden Grammar School budgets are delegated to Heads of Department. In addition to curriculum budgets the Headteacher holds a 'contingency' budget which can approve additional bids from budget holders in response to needs or wants.

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

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

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

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

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

Governance Statement
For the year ended 31 August 2022

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

Approved by order of the members of the board of trustees and signed on their behalf, by:



S Mendoza
Chair of Trustees



A Tomlin
Headteacher and Accounting Officer, Ex-Officio

Date: 6 December 2022

Borden Grammar School Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Borden Grammar School Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 Academy Trust Handbook 2021.

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



A Tomlin
Accounting Officer

Date: 6 December 2022

Statement of trustees' responsibilities
For the Year Ended 31 August 2022

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



S Mendoza
Chair of Trustees

Date: 6 December 2022

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

Opinion

We have audited the financial statements of Borden Grammar School Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report on the financial statements to the Members of Borden Grammar School Trust (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academy Trust Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditors' Report on the financial statements to the Members of Borden Grammar School Trust (continued)

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 12 December 2022

Independent Reporting Accountant's Assurance Report on Regularity to Borden Grammar School Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Borden Grammar School Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Borden Grammar School Trust's funding agreement with the Secretary of State for Education dated 9 February 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Borden Grammar School Trust for the year ended 31 August 2022 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

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

Independent Reporting Accountant's Assurance Report on Regularity to Borden Grammar School Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 12 December 2022

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:						
Donations and capital grants	3	15,580	-	39,055	54,635	*48,859*
Other trading activities	4	29,228	-	-	29,228	*13,906*
Investments	5	614	-	-	614	*92*
Funding for educational operations	6	165,124	4,755,682	-	4,920,806	*4,711,083*
Total income		210,546	4,755,682	39,055	5,005,283	*4,773,940*
Expenditure on:						
Charitable activities	8	170,002	4,739,471	252,537	5,162,010	*4,834,409*
Total expenditure		170,002	4,739,471	252,537	5,162,010	*4,834,409*
Net income/(expenditure)		40,544	16,211	(213,482)	(156,727)	*(60,469)*
Transfers between funds	17	-	(9,528)	9,528	-	-
Net movement in funds before other recognised gains/(losses)		40,544	6,683	(203,954)	(156,727)	*(60,469)*
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,856,000	-	1,856,000	*(118,000)*
Net movement in funds		40,544	1,862,683	(203,954)	1,699,273	*(178,469)*
Reconciliation of funds:						
Total funds brought forward		300,509	(1,468,302)	9,162,054	7,994,261	*8,172,730*
Net movement in funds		40,544	1,862,683	(203,954)	1,699,273	*(178,469)*
Total funds carried forward	17	341,053	394,381	8,958,100	9,693,534	*7,994,261*

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

The notes on pages 23 to 42 form part of these financial statements.

Borden Grammar School Trust

(A Company Limited by Guarantee)
Registered number: 07827591

Balance Sheet
As at 31 August 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	14		8,957,543		*9,161,526*
Current assets					
Debtors	15	41,284		*60,170*	
Cash at bank and in hand		1,118,377		*834,790*	
		1,159,661		*894,960*	
Creditors: amounts falling due within one year	16	(120,670)		*(165,225)*	
Net current assets			1,038,991		*729,735*
Total assets less current liabilities			9,996,534		*9,891,261*
Defined benefit pension scheme liability	23		(303,000)		*(1,897,000)*
Total net assets			9,693,534		*7,994,261*
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	17	8,958,100		*9,162,054*	
Restricted income funds	17	697,381		*428,698*	
Restricted funds excluding pension liability	17	9,655,481		*9,590,752*	
Pension reserve	17	(303,000)		*(1,897,000)*	
Total restricted funds	17		9,352,481		*7,693,752*
Unrestricted income funds	17		341,053		*300,509*
Total funds			9,693,534		*7,994,261*

The financial statements on pages 20 to 42 were approved and authorised for issue by the trustees and are signed on their behalf, by:

S Mendoza
(Chair of Trustees)

A Tomlin
(Trustee and Accounting Officer)

Date: 6 December 2022

The notes on pages 23 to 42 form part of these financial statements.

Borden Grammar School Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2022

	Note	2022 £	*2021 £*
Cash flows from operating activities			
Net cash provided by operating activities	19	292,472	*411,839*
Cash flows from investing activities	20	(8,885)	*(80,725)*
Change in cash and cash equivalents in the year		283,587	*331,114*
Cash and cash equivalents at the beginning of the year		834,790	*503,676*
Cash and cash equivalents at the end of the year	21, 22	1,118,377	*834,790*

The notes on pages 23 to 42 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Borden Grammar School Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Charitable activities**

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

Where applicable expenditure is shown inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Interest in school buildings	- 2% straight line
Improvements	- 2% to 5% straight line
Furniture and equipment	- 25% straight line
Computer equipment	- 33% straight line

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

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. Accounting policies (continued)

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.12 Pensions

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

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1. Accounting policies (continued)

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs, however chooses not to do so. The funds received and paid and any balances held are disclosed in note 26.

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The ultimate responsibility for setting the LGPS assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate used of 4.25% is considerably higher than the rate of 1.65% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £1.9m to £303k during the year.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donated fixed assets	-	-	-	-	*7,600*
Donations	15,580	-	20,000	35,580	*22,178*
Capital grants	-	-	19,055	19,055	*19,081*
	15,580	-	39,055	54,635	*48,859*
Analysis of 2021 total by fund	*4,040*	*1,000*	*43,819*	*48,859*	

4. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Sale of goods and services	28,546	28,546	*8,683*
Other	682	682	*5,223*
	29,228	29,228	*13,906*
Analysis of 2021 total by fund	*13,906*	*13,906*	

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Bank interest	614	614	*92*
Analysis of 2021 total by fund	*92*	*92*	

6. Funding for educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,336,527	4,336,527	*4,124,681*
Other DfE/ESFA grants				
Pupil Premium	-	62,415	62,415	*59,637*
Teachers' pension grant	-	38,723	38,723	*162,716*
Teachers' pay grant	-	13,703	13,703	*57,583*
Others	-	91,152	91,152	*31,479*
	-	4,542,520	4,542,520	*4,436,096*
Other Government grants				
Local authority grants	-	139,168	139,168	*57,728*
Local authority SEN funding	-	54,387	54,387	*36,887*
	-	193,555	193,555	*94,615*
Other income from educational operations	165,124	1,269	166,393	*90,572*
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	*50,990*
Other DfE/ESFA COVID-19 funding	-	18,338	18,338	*38,810*
	165,124	4,755,682	4,920,806	*4,711,083*
Analysis of 2021 total by fund	*89,684*	*4,621,399*	*4,711,083*	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	*Total 2021 £*
Educational operations:					
Direct costs	3,304,980	-	548,399	3,853,379	*3,680,995*
Allocated support costs	775,751	225,641	307,239	1,308,631	*1,153,414*
	4,080,731	225,641	855,638	5,162,010	*4,834,409*
Analysis of 2021 total	*3,867,144*	-	*967,265*	*4,834,409*	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	*Total 2021 £*
Educational operations	170,002	4,992,008	5,162,010	*4,834,409*
Analysis of 2021 total by fund	*69,484*	*4,764,925*	*4,834,409*	

9. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	*Total funds 2021 £*
Educational operations	3,853,379	1,308,631	5,162,010	*4,834,409*
Analysis of 2021 total	*3,680,995*	*1,153,414*	*4,834,409*	

Analysis of support costs

	Total funds 2022 £	*Total funds 2021 £*
Staff costs	775,751	*685,388*
Premises costs	225,641	*258,986*
Other support costs	295,299	*192,785*
Governance costs	11,940	*16,255*
	1,308,631	*1,153,414*

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	13,981	14,438
Depreciation of tangible fixed assets	252,537	245,481
Fees paid to auditors for:		
- audit	8,680	8,430
- other services	2,340	1,870

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,840,419	2,696,183
Social security costs	282,225	251,413
Pension costs	903,479	786,084
	4,026,123	3,733,680
Agency staff costs	54,608	133,464
	4,080,731	3,867,144

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	47	46
Administration and Support	44	46
Management	6	6
	97	98

11. Staff (continued)

c. Higher paid staff

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

	2022 No.	*2021* *No.*
In the band £60,001 - £70,000	2	*2*
In the band £70,001 - £80,000	1	*1*
In the band £80,001 - £90,000	1	*1*

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £625,891 *(2021 - £643,044)*.

12. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Accounting Officer and other staff trustees only receive remuneration in respect of services they provide undertaking their roles under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2022 £	*2021* *£*
Ashley Tomlin, Accounting Officer	Remuneration	85,000 - 90,000	*85,000 - 90,000*
	Pension contributions paid	20,000 - 25,000	*20,000 - 25,000*
Emma Carter	Remuneration	50,000 - 55,000	*50,000 - 55,000*
	Pension contributions paid	10,000 - 15,000	*10,000 - 15,000*
Tim Hewett	Remuneration	15,000 - 20,000	*15,000 - 20,000*
	Pension contributions paid	0 - 5,000	*0 - 5,000*
Jordan Weller	Remuneration	5,000 - 10,000	*20,000 - 25,000*
	Pension contributions paid	0 - 5,000	*5,000 - 10,000*
Michelle Brooker	Remuneration	-	*15,000 - 20,000*
	Pension contributions paid	-	*0 - 5,000*

During the year ended 31 August 2022, no trustee expenses have been incurred *(2021 - £NIL)*.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost and the element specifically relating to cover for trustees and officers is not readily available.

14. Tangible fixed assets

	Land, buildings & improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	10,779,633	282,313	243,185	5,500	11,310,631
Additions	13,259	15,323	19,972	-	48,554
At 31 August 2022	10,792,892	297,636	263,157	5,500	11,359,185
Depreciation					
At 1 September 2021	1,740,685	206,233	196,687	5,500	2,149,105
Charge for the year	190,223	36,720	25,594	-	252,537
At 31 August 2022	1,930,908	242,953	222,281	5,500	2,401,642
Net book value					
At 31 August 2022	8,861,984	54,683	40,876	-	8,957,543
At 31 August 2021	*9,038,948*	*76,080*	*46,498*	-	*9,161,526*

Included in land and buildings is land at value of £1,411,406 *(2021 - £1,411,406)* which is not depreciated.

15. Debtors

	2022 £	*2021 £*
Trade debtors	2,937	*18*
Recoverable VAT	1,823	*2,598*
Prepayments and accrued income	36,524	*57,554*
	41,284	*60,170*

16. Creditors: Amounts falling due within one year

	2022 £	*2021 £*
Trade creditors	(418)	*442*
Other creditors	74,323	*73,670*
Accruals and deferred income	46,765	*91,113*
	120,670	*165,225*

	2022 £	*2021 £*
Deferred income at 1 September 2021	10,752	*11,752*
Resources deferred during the year	-	*10,752*
Amounts released from previous periods	(10,752)	*(11,752)*
	-	*10,752*

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	300,509	210,546	(170,002)	-	-	341,053
Restricted general funds						
General Annual Grant (GAG)	414,788	4,336,527	(4,045,985)	(9,528)	-	695,802
Other DfE/ESFA grants	-	224,331	(224,331)	-	-	-
Covid Catch Up Premium	12,522	-	(12,522)	-	-	-
Other Government Grants	-	193,555	(193,555)	-	-	-
Other restricted	1,388	1,269	(1,078)	-	-	1,579
Pension reserve	(1,897,000)	-	(262,000)	-	1,856,000	(303,000)
	(1,468,302)	4,755,682	(4,739,471)	(9,528)	1,856,000	394,381
Restricted fixed asset funds						
Fixed assets	9,161,526	-	(252,537)	48,554	-	8,957,543
DfE/ESFA capital grants	-	19,055	-	(19,055)	-	-
Other capital income	528	20,000	-	(19,971)	-	557
	9,162,054	39,055	(252,537)	9,528	-	8,958,100
Total Restricted funds	7,693,752	4,794,737	(4,992,008)	-	1,856,000	9,352,481
Total funds	7,994,261	5,005,283	(5,162,010)	-	1,856,000	9,693,534

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

General Annual Grant ("GAG") must be used for the normal running costs of the academy trust.

Covid catch-up premium relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). This has now been fully spent.

The other DfE/ESFA grants is used to track other grant money received from the DfE/ESFA and connected bodies, and included Teachers' Pension and Teachers' Pay Grants, and Pupil Premium.

17. Statement of funds (continued)

The other government grants fund is used to track grants provided by government departments.

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

The other restricted funds reserve accounts for any non-government grant income that is treated as restricted funding.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfer in of £9,528 from the GAG fund is the amount of capital expenditure met by that fund.

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

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Unrestricted funds						
General funds	*262,271*	*107,722*	*(69,484)*	-	-	*300,509*
Restricted general funds						
General Annual Grant (GAG)	*193,872*	*4,124,681*	*(3,857,682)*	*(46,083)*	-	*414,788*
Other DfE/ESFA grants	*5,399*	*311,415*	*(316,814)*	-	-	-
Covid Catch Up Premium	-	*50,990*	*(15,023)*	*(23,445)*	-	*12,522*
Other Covid funding	-	*38,810*	*(38,810)*	-	-	-
Other Government Grants	-	*94,615*	*(94,615)*	-	-	-
Other restricted	*1,000*	*1,888*	*(1,500)*	-	-	*1,388*
Pension reserve	*(1,584,000)*	-	*(195,000)*	-	*(118,000)*	*(1,897,000)*
	(1,383,729)	*4,622,399*	*(4,519,444)*	*(69,528)*	*(118,000)*	*(1,468,302)*
Restricted fixed asset funds						
Fixed assets	*9,289,971*	-	*(245,481)*	*117,036*	-	*9,161,526*
DfE/ESFA capital grants	*3,872*	*19,081*	-	*(22,953)*	-	-
Other capital income	*345*	*17,138*	-	*(16,955)*	-	*528*
Donated assets	-	*7,600*	-	*(7,600)*	-	-
	9,294,188	*43,819*	*(245,481)*	*69,528*	-	*9,162,054*

17. Statement of funds (continued)

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Total Restricted funds	*7,910,459*	*4,666,218*	*(4,764,925)*	*-*	*(118,000)*	*7,693,752*
Total funds	*8,172,730*	*4,773,940*	*(4,834,409)*	*-*	*(118,000)*	*7,994,261*

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	**Restricted funds 2022** £	**Restricted fixed asset funds 2022** £	**Total funds 2022** £
Tangible fixed assets	-	-	8,957,543	8,957,543
Current assets	341,053	818,051	557	1,159,661
Creditors due within one year	-	(120,670)	-	(120,670)
Provisions for liabilities and charges	-	(303,000)	-	(303,000)
Total	341,053	394,381	8,958,100	9,693,534

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Restricted funds 2021* £	*Restricted fixed asset funds 2021* £	*Total funds 2021* £
Tangible fixed assets	-	-	*9,161,526*	*9,161,526*
Current assets	*294,046*	*600,386*	*528*	*894,960*
Creditors due within one year	*6,463*	*(171,688)*	-	*(165,225)*
Provisions for liabilities and charges	-	*(1,897,000)*	-	*(1,897,000)*
Total	*300,509*	*(1,468,302)*	*9,162,054*	*7,994,261*

19. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	*2021 £*
Net expenditure for the year (as per Statement of Financial Activities)	(156,727)	*(60,469)*
Adjustments for:		
Depreciation	252,537	*245,481*
Capital grants from DfE and other capital income	(39,055)	*(36,219)*
Interest receivable	(614)	*(92)*
Defined benefit pension scheme cost less contributions payable	232,000	*171,000*
Defined benefit pension scheme finance cost	30,000	*24,000*
Decrease/(increase) in debtors	18,886	*(16,250)*
(Decrease)/increase in creditors	(44,555)	*84,388*
Net cash provided by operating activities	292,472	*411,839*

20. Cash flows from investing activities

	2022 £	*2021 £*
Dividends, interest and rents from investments	614	*92*
Purchase of intangible assets	(48,554)	*(117,036)*
Capital grants from DfE Group	19,055	*19,081*
Capital funding received from sponsors and others	20,000	*17,138*
Net cash used in investing activities	(8,885)	*(80,725)*

21. Analysis of cash and cash equivalents

	2022 £	*2021 £*
Cash in hand and at bank	1,118,377	*834,790*

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	834,790	283,587	1,118,377

23. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £500,000 *(2021 - £477,000)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £178,000 *(2021 - £151,000)*, of which employer's contributions totalled £140,000 *(2021 - £117,000)* and employees' contributions totalled £ 38,000 *(2021 - £34,000)*. The agreed contribution rates for future years are 21 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

Principal actuarial assumptions

	2022 **%**	*2021* *%*
Rate of increase in salaries	3.95	*3.90*
Rate of increase for pensions in payment/inflation	2.95	*2.90*
Discount rate for scheme liabilities	4.25	*1.65*

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

	2022 **Years**	*2021* *Years*
Retiring today		
Males	21.0	*21.6*
Females	23.5	*23.6*
Retiring in 20 years		
Males	22.3	*22.9*
Females	24.9	*25.1*

Sensitivity analysis

	2022 **£000**	*2021* *£000*
Discount rate +0.1%	(57)	*(93)*
Discount rate -0.1%	58	*95*
Mortality assumption - 1 year increase	74	*164*
Mortality assumption - 1 year decrease	(72)	*(158)*
CPI rate +0.1%	53	*84*
CPI rate -0.1%	(52)	*(82)*

23. Pension commitments (continued)

Share of scheme assets

The academy trust's share of the assets in the scheme was:

	At 31 August 2022 £	*At 31 August 2021 £*
Equities	1,473,000	*1,426,000*
Gilts	13,000	*12,000*
Corporate bonds	297,000	*302,000*
Property	264,000	*224,000*
Cash and other liquid assets	38,000	*62,000*
Investment funds	162,000	*152,000*
Total market value of assets	2,247,000	*2,178,000*

The actual return on scheme assets was £(27,000) *(2021 - £269,000)*.

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	*2021 £*
Current service cost	(371,000)	*(287,000)*
Interest income	37,000	*30,000*
Interest cost	(67,000)	*(54,000)*
Administrative expenses	(1,000)	*(1,000)*
Total amount recognised in the Statement of Financial Activities	(402,000)	*(312,000)*

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

	2022 £	*2021 £*
At 1 September	4,075,000	*3,432,000*
Current service cost	371,000	*287,000*
Interest cost	67,000	*54,000*
Employee contributions	38,000	*34,000*
Actuarial (gains)/losses	(1,920,000)	*357,000*
Benefits paid	(81,000)	*(89,000)*
At 31 August	2,550,000	*4,075,000*

23. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2022 £	*2021 £*
At 1 September	2,178,000	*1,848,000*
Interest income	37,000	*30,000*
Actuarial (losses)/gains	(64,000)	*239,000*
Employer contributions	140,000	*117,000*
Employee contributions	38,000	*34,000*
Benefits paid	(81,000)	*(89,000)*
Administrative expenses	(1,000)	*(1,000)*
At 31 August	2,247,000	*2,178,000*

24. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	*2021 £*
Not later than 1 year	9,048	*13,502*
Later than 1 year and not later than 5 years	4,524	*13,568*
	13,572	*27,070*

25. Members' liability

Each member of the academy trust 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.

26. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the trust received £14,253 *(2021 - £11,878)* and disbursed £9,500 *(2021 - £7,600)* from the fund. An amount of £9,031 *(2021 - £4,278)* is in included in other creditors relating to undistributed funds that is repayable to ESFA

The academy trust is acting as agent and holding funds of £65,292 *(2021 - £69,392)* on behalf of the Borden Grammar School Trust Fund, a connected entity, which happens to have the same name as the academy trust, as explained in the trustees' report.

Both amounts noted above are included within Other Creditors in Note 16.

27. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following transactions took place during the year:

Expenditure related party transactions:

Borden Sport Limited
Borden Sport is a limited by guarantee company with connections to the academy trust. Borden Sport's memorandum of association includes a clause stating that upon dissolution of the company any debts/liabilities will be shared equally between the school and another entity. For this reason the academy trust has treated Borden Sport as a related party.

The relationship between the school and Borden Sport Limited is longstanding. Borden Sport have a sub-lease arrangement which gives them use of the sports pitches on the school grounds. Borden Sport hire the sports pitches to third parties outside of school hours, and the academy trust pays to hire the pitches during the school day.

During the year £17,949 *(2021 - £17,816)* was paid to Borden Sport Limited. £12,949 was for hire of the astro sports pitch and £5,000 was the annual donation (subject to available budget) towards the upkeep and eventual replacement of the pitches. At 31 August 2022, Borden Sport Limited owed £Nil *(2021 - £18)* to the academy trust.

This arrangement has been in place for many years, pre-dating the school's conversion to academy status in 2012, and is in accordance with the school's financial regulation. The arrangement is an informal contract and was last renewed during the 2018-19 year. During this process a statement of assurance was been obtained from Borden Sport Limited confirming that the charges to the academy trust are at cost. The academy trust is therefore content that whilst entering into the transaction it has complied with the requirements of the Academy Trust Handbook.

Borden Grammar School Trust Voluntary Fund Account
During the year £2,127 *(2021 - £8,809)* was spent on behalf of Borden Grammar School Trust Voluntary Fund Account. The academy received reimbursements during the year in compensation for all payments made (see income transactions below) and as at 31 August 2022 the trust was owed £Nil *(2021 - £Nil)* from Borden Grammar School Trust Voluntary Fund Account.

Borden Grammar School Trust
This entity, of the same name as the academy trust itself, is referred to in the connected entities section of the trustees' report.

As disclosed in note 26, the academy trust held £69,392 on behalf of this entity at 31 August 2022 *(2021: £69,392)*.

Employment of close family of a trustee
A. Hewett, the nephew of T. Hewett, a trustee, is employed by the academy trust as a caretaker. A. Hewett's appointment was made in open competition and T. Hewett was not involved in the decision making process regarding appointment. A. Hewett is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

Income related party transactions:

During the year the academy trust received income of £166 *(2021 - £166)* from Borden Sport Limited. The income relates to administration and cleaning fees, and charges relating to utilities.

During the year the academy trust received income of £2,127 *(2021 - £8,809)* from Borden Grammar School Trust Voluntary Fund Account.