Registered number: 07696921

KATHARINE LADY BERKELEY'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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KATHARINE LADY BERKELEY'S SCHOOL
(A company limited by guarantee)

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KATHARINE LADY BERKELEY'S SCHOOL

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31ST AUGUST 2014

Members and Trustees	Mrs G Hayward, Chair, Co-opted Trustee * Mr A Harris, Head Teacher * Mr T Andrews, Staff Trustee Mrs L Price, Staff Trustee (resigned 1st November 2013) Ms N de Silva, Staff Trustee (appointed 26th March 2014) Mrs L Chase, Foundation Trustee * Mrs M Clarke, Foundation Trustee * Dr J Cordwell, Foundation Trustee * Miss A Dixon, Foundation Trustee * (resigned 31st August 2014) Mr V Jotcham, Foundation Trustee * (resigned 31st March 2014) Mrs J Kendall, Foundation Trustee * Ms R Robinson, Parent Trustee Mr M Valentine, Parent Trustee (resigned 2nd September 2014) Mr C Sanders, Parent Trustee * Mr S Harding, Parent Trustee * Mr M Challis, Co-opted Trustee Mr G Robson, Co-opted Trustee * (resigned 9th July 2014) Mr C Jenner (appointed 1st June 2014) Mr D McCoubrie (appointed 15th October 2014) * Members of the Management Committee
Company secretary	Mr S Blackshaw
Senior management team	Mr A Harris, Head teacher Miss H Khan, Deputy Head teacher Mr C Mann, Deputy Head teacher Miss F Bailey, Assistant Head teacher Miss K John, Assistant Head teacher Mr R Warren, Assistant Head teacher Mrs J Whalley, Assistant Head teacher Mr S Blackshaw, Finance & Business Director
Principal and registered office	Kingswood Road Wotton-Under-Edge Gloucestershire GL12 8RB
Company registered number	07696921
Statutory Auditor	Davies Mayers Barnett LLP Pillar House 113/115 Bath road Cheltenham Gloucestershire GL53 7LS
Bankers	Lloyds TSB 12 Rowcroft Stroud Gloucestershire GL5 3BD

TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2014

The Trustees present their annual report together with the financial statements and auditor's report of Katharine Lady Berkeley's School (the Academy) for the year ended 31st August 2014.The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The purposes of the Academy are those set out in the Articles of Association and the Funding Agreement. They include the following:

- the school has a balanced and broadly based curriculum including English, Mathematics and Science;
- the curriculum provided for pupils up to the age of 16 will include an emphasis on languages;
- the school provides education for pupils of different abilities;
- the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated;
- there will be an emphasis on the need of individual pupils including pupils with Special Educational Needs SEN);
- the school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.

Structure, governance and management

CONSTITUTION

The Academy was incorporated on 7th July 2011 and commenced as an Academy Trust from 1st August 2011.

The Academy Trust is a company limited by guarantee and an exempt charity. Katharine Lady Berkeley's School Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees act as the Governors for the charitable activities of Katharine Lady Berkeley's School and are also the directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as Katharine Lady Berkeley's School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

The Academy has Trustees Liability insurance with Zurich Municipal until the current policy expiry on 30th July 2015.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Eligibility to act as a Trustee of the Academy is described in paragraphs 45 to 81 of the Articles of Association.

Trustees are sought via election from the parent body and co-opted from the local community dependent upon skill requirements.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The school has adopted an in house programme of induction for all new Trustees. This includes information about the school, the Company and the Trust.

Each new Trustee meets individually with the Headteacher and is assigned a mentor from the board of trustees.

TRUSTEES

All Trustees are both Directors of the Company and Trustees of the Charity. This encourages participation, devolves responsibility and encourages decision making.

The Trustees are responsible for setting strategic direction and general policy. They adopt an annual development plan and budget and monitor the development of the Academy through these.

They make decisions about the future direction of the Academy, capital expenditure and, appointments to the Senior Management Team (SMT).

Committees monitor the effectiveness of the school through the following committee structure:

- Teaching and Learning
- Finance (known as Management up to 31/08/2014)
- Health & Safety
- Community and Wellbeing
- Staffing

Each committee reports to the full Board of Trustees.

Meetings are at least termly and evidence such as position papers, live data and benchmarking are provided by the school for Trustees' information.

The school contracts a School Improvement Partner from Gloucestershire County Council. This provides Trustees with further objective evidence supporting or challenging the work of the school's management team

ORGANISATIONAL STRUCTURE

On a day to day basis the operational running of the Academy has been delegated to the Head teacher. The Head teacher is able to delegate the day to day running of the school to the deputy Head teachers. The Head teacher acts as the Accounting Officer. The Senior Management Team comprises the Headteacher and 7 other members of staff.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As described in our Funding Agreement, the school's curriculum includes an emphasis on languages. This specialism also includes supporting languages in some local primary schools at Key Stage 2. The initial agreement to be awarded Academy Status includes a commitment to continue to support languages in five named primary schools, The British School, Blue Coat CofE School, Kingswood Primary School, Hillesley CofE Primary School and North Nibley CofE Primary School.

The Headteacher is a secondary Headteacher representative on the Gloucestershire Schools Forum. The Chair of Trustees also chairs Gloucestershire Schools' Forum and as such sits on the Children's Partnership Board for the County. She is also an Executive member of the f40 school funding campaign group.

The Academy continues to work with the Confucius Classroom based at the London Institute of Education. This work includes acting as a Confucius Hub School in order to support partner schools in developing Chinese Language Education.

Objectives and Activities

OBJECTS AND AIMS

- To ensure that students are happy at school where they are **inspired** to do their best as **confident** learners in an emotionally and physically safe and caring environment.
- To support students in the transition to secondary education, to enable each student to **achieve** their best examination results and to provide excellent information, advice and guidance for the transition to continuing education and to employment.
- To support students in their personal, emotional, spiritual, social and cultural development through a broad and balanced curriculum so that they can learn effectively and are prepared for their continuing education, adult life and employment.
- To help students to develop effective communication skills, to be able to understand and critically appraise the information which they receive and to be able to express themselves in an appropriate, clear, sensitive and accurate way to a range of audiences.
- To enable students to develop the core skills, resilience and flexibility that are needed for their next steps and to be able to adapt to the technological and societal changes that will take place in their lifetime.
- To promote the physical wellbeing of students through healthy lifestyles and participation in physical activity.

OBJECTIVES, STRATEGIES AND ACTIVITIES

To achieve our objectives and aims the Academy is governed, led and managed in a way which facilitates self critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward looking since it involves analysis of aspects of a changing world and other political, social and economic factors which may affect the nature and relevance of our provision and the demand for the education we offer. Good communication is vital so that pupils, parents and staff feel engaged and clear about the Academy's values, purpose and direction.

The long term aims, objectives and strategies are reviewed annually during a development planning process. The Headteacher reports on progress in implementing the development plan to Trustees on a termly basis. In September and October, the Senior Management Team analyse the outcomes of the previous academic year, including GCSE and A Level results to assess the overall performance of the school and to identify any groups of pupils or subject areas for which there are concerns. The overall outcomes are discussed with the full Board of Trustees while the more detailed analyses are discussed with the Trustees' Teaching and Learning Committee. The Academy also has a well established programme of staff performance, appraisal and target setting.

PUBLIC BENEFIT

All the activities undertaken by the Academy are for the education of its pupils and the good of the wider local community. As such the primary objective of the Academy is to support those objectives and there is no financial return to any shareholders.

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising powers or duties. This has been with particular reference to Principles 1 and 2 as found in "The Advancement of Education for the Public Benefit, 2008".

Strategic report

Achievements and performance

ACHIEVEMENTS

Public Examination Results

While there are many measures of a school's performance, the key measures for a secondary school are outcomes at GCSE and at A level. At the time of writing the national comparative statistics are not available for students completing their courses in summer 2014 but the headline statistics are as shown below. The GCSE results for English were lower than projected as the school was affected by the much publicised issues surrounding the grading of English Language:

GCSE	% achieving 5 or more grades A* to C	71%
	% entries resulting in grades A/A*	36%
	% achieving the English Baccalaureate	45%
	% achieving the expected progress in English	74%
	% achieving the expected progress in mathematics	75%
GCE A Level	% entries resulting in grades A*/A/B	66%
	Average points score per entry	229.7

The above results are very good at GCSE and outstanding at A level. The school uses a range of benchmarking tools to evaluate performance including Raise Online (OFSTED), Fischer Family Trust and ALPS (A Level Performance System) and the Learner Achievement Tracker (LAT).

Ofsted Inspection

The school was inspected by OFSTED during 2012/13, in October 2012. The overall judgement was that this is a 'Good' school, i.e. an OFSTED Grade 2. The grades for the four main areas of inspection were as follows:

Achievement of pupils:	Good (Grade 2)
Quality of teaching:	Good (Grade 2)
Behaviour and safety of pupils:	Outstanding (Grade 1)
Leadership and management:	Good (Grade 2)

Numbers on roll

The numbers on roll are starting to reduce due to demographic change in this area. Numbers on roll at the start of the academic year for the last 5 years are as follows:

2013/14	1454
2012/13	1491
2011/12	1521
2010/11	1533
2009/10	1508

Attendance

For terms 1 to 4 during 2013/14, 1175 pupils of compulsory school age were on roll for at least one session. 3.7% of sessions were missed through authorised absence and 0.35% through unauthorised absence.

Staffing

For 2013/14, the teacher staffing establishment was 91.10 full time equivalents. The associate staff establishment was 50.9 full time equivalents.

SCHOOL IMPROVEMENT PLAN 2013/14

1) To improve assessment procedures and the compilation, analysis and use of assessment data – continued from 2012/13

2) To conduct Curriculum reviews:
   a) Post 16 in light of changing curriculum, qualifications structure and reducing income;
   b) Key Stage 4 due to changes in assessment requirements for end of Key Stage examinations;
   c) Key Stage 3 with respect to recording, communicating and reporting progress and attainment following the removal of National Curriculum levels.

3) To set up a new line management structure for subject areas utilising the restructured Leadership Team and to use the new structure to work with subject departments on developing their approaches to differentiation.

4) To improve the organization of classrooms for presentation and teaching. Review carried out during 2013/14 for implementation during summer 2014.

5) To review the allocation of rooms to subjects in light of changing pupil numbers and curriculum priorities.

6) To make effective use of the pupil premium and provide greater support for vulnerable students in order to raise their achievement to more closely match that of other students.

7) To develop the qualifications, nature and deployment of Teaching Assistants to ensure that they contribute to the academic progress of pupils with SEN.

8) To continue the Literacy and numeracy strategies from 2012/13.

9) To integrate ICT across the curriculum in Years 8 and 9.

10) To develop services to local primary schools, which may include 'back office' services such as payroll and other services such as Education Welfare and ICT support.

11) To develop the school's marketing strategy through prospectus and website design and advertising.

12) To achieve 80% A* to C in English and in mathematics – aspirational 85% in each subject.

KEY FINANCIAL PERFORMANCE INDICATORS

At the end of the year, the overall balance (revenue and capital) amounted to £349,840 (excluding fixed assets and the Pension scheme liability).

The number on roll used as the basis for our grant income in this period was 1493. As reported in the Financial Review below, this is likely to reduce annually for at least the next 5 years. However, local authority forecasts enable reduction to be predicted, we will be able to alter our expenditure accordingly in order to avoid financial risk. It is also anticipated that there will be additional cost pressures due to changes to the employers' contribution to National Insurance and to the LGPS and teachers' pensions schemes. Again, as this is known in advance, we will be able to manage our expenditure through minimum group sizes and numbers of teaching groups in order to maintain spending which is within the constraints of our income.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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.

Financial review

FINANCIAL REPORT FOR THE YEAR

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31st August 2014 and the associated expenditure are shown as restricted funds (non fixed assets) in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Academies Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31st August 2014 the net book value of fixed assets was £31,864,747 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Pupil numbers are expected to reduce over the next 3 or 4 years due to the demographic changes in this area. We expect the number of pupils in Years 7 to 11 to fall from around 1176 in September 2013 to 1080 in September 2017. The number of post 16 students is expected to be maintained at around 275 during this period. The January 2014 census showed 1434 on roll which is a decrease from 1498 at the census of January 2013. Whilst this reduction will result in a corresponding reduction in income, the predictable nature of this change will enable us to manage our expenditure pattern accordingly and therefore minimise any financial risk. The other factors which will reduce grant funding are the continuing reductions in post 16 funding at the rate of 3% per learner per year, no increases to take account of the inflationary impact on the costs of resources and services and the unfunded national pay increases for teaching and non teaching staff which, at this stage, the school will endeavour to match.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the management of risks faced by the Academy. The Trustees are assisted in this task by the Management Committee, which comprises members of the Board of Trustees, and by the Senior Management Team.

The Trustees' Health & Safety Committee meets termly and reports back to the full Board of Trustees. Continuity between these bodies is maintained through the Chair of the Management Committee.

The key controls used by the Academy include:

- Formal agendas for all Committee and Trustees' meetings;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Setting policies and procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Academy, the Board of Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Academy has completed a thorough review of its financial and risk management objectives in its risk register document.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted fund. It should be noted that this does not present the Academy with any current liquidity problems.

The Trustees have assessed the major risks to which the Academy is exposed and identified and implemented strategies for addressing these risks. Significant risks and the measures in place to reduce these risks have been formally documented in the Academy's Risk Register, which is subject to continuing review. The Trustees have also completed an assessment of internal control for the Education Funding Agency (EFA) which enabled the risk assessment process. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trustees have an effective system of internal financial controls and this is explained in more detail within the Governance statement.

RESERVES POLICY

The Body of Trustees has established a Reserves Policy in line with EFA (Education Funding Agency) guidelines.

Reserves held are those unrestricted funds which provide:

- a buffer to ensure that the Academy does not move into deficit at any point during the financial year due to cash flow issue;
- a fund to support unforeseen expenditure during the year which may result in overall expenditure exceeding the planned budget;
- a fund to compensate for income which may be anticipated during the financial year but which is not received;
- a 'carry forward' amount in order to enable the school to manage any reduction in income from one year to the next in a strategic way.

INVESTMENT POLICY

The Investment Policy is required to ensure that funds are invested appropriately and that investments are protected rather than maximising interest.

Should the reserves increase sufficiently to consider longer term investment, the Academy would employ an agent to give advice on suitable investment opportunities.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive for the best possible achievement for all groups of pupils and students. Realistic but challenging targets are set for individual pupils, subject departments and the whole school. Specific focus for 2014/15 are as follows:

Pupil Progress

1) Student progress priorities:
   a) Three levels of progress for students with low prior attainment in mathematics – 50% to make at least 3 levels of progress.
   b) Overall progress, best 8 value added to exceed 1005
   c) To achieve 85% three levels of progress in each of English and Mathematics.
   d) To identify and implement strategies for improving the GCSE grades awarded in French, German and Spanish.
   e) To achieve ALPS grade 4 or better for Biology and Chemistry
2) To develop and implement a new system for tracking and reporting progress during Key Stage 3.
3) Curriculum reviews:
   a) Post 16 to take account of new AS qualification
   b) Key Stage 3 with a particular emphasis on students with low prior attainment
   c) Key Stages 3 and 4 to take account of GCSE specification changes
4) Pupil premium:
   a) Review use of funding, moving the emphasis away from intervention through extraction across the curriculum to providing subject specialist support when that subject is timetabled.
   b) For 'gap' between PP and non-PP to continue to narrow. 5+ A* to C gap less than 20 percentage points in 2015.
5) Literacy and Numeracy strategies – to continue development

Employees

6) To reduce staffing levels and to identify other efficiencies so that expenditure matches the budget forecasts required to retain a sufficient operating surplus.
7) To develop performance management and appraisal policies so that they provide a secure basis for making pay related decisions.

Community and recruitment

8) To develop and implement a marketing strategy in order to mitigate the effects of demographic change in this area. This to include working with Year 5 pupils to make this the school of choice at the end of Year 6.
9) To develop the school's printed and online presence in order to raise the profile of the school in our traditional catchment area and beyond.

Finance

10) To implement cashless catering in order to provide an audit trail for money paid for school meals and to avoid the identification of students receiving free school meals.
11) To ensure that the school is in a position to take advantage of capital grants that may become available for major development, for example dining and post 16 accommodation.
12) To ensure that all aspects of the school's operation are cost efficient in order to achieve cost savings and to minimise the impact of financial constraints on staffing levels.

In addition to the above, the school will seek funding from all possible sources, including the DfE, to improve accommodation and facilities with particular focus on sixth form accommodation, dining facilities assembly and performance space.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, incorporating a strategic report, was approved by order of the Board of Trustees on 10 December 2014 and signed on its behalf by:

.....
Mrs G Hayward, Chair

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The 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 Katharine Lady Berkeley's School 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 Trustees' responsibilities statement. The Board of Trustees has formally met 7 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
Mrs G Hayward, Chair	7	7
Mr C Sanders, Vice Chair	7	7
Mr M Challis	7	7
Mrs L Chase	7	7
Mrs M Clarke	7	7
Dr J Cordwell	4	7
Miss A Dixon (resigned 31st August 2014)	6	7
Mr S Harding	7	7
Mr A Harris	7	7
Mr V Jotcham (resigned 31st March 2014)	2	5
Mrs J Kendall	7	7
Mr G Robson (resigned 9th July 2014)	2	7
Mr M Valentine (resigned 2nd September 2014)	3	7
Ms R Robinson	7	7
Mrs L Price (resigned 1st November 2013)	1	1
Mr T Andrews	5	7
Ms N de Silva (appointed 26th March 2014)	3	3

Governance reviews:

The Board of Trustees held two workshops in December 2013 to review its performance and identify improvements. Out of these came a new statement of the aims of the school focused on what we are trying to achieve and a decision to set up a smaller Finance Committee to allow more timely and focused attention on the use of resources which has helped to tighten our management accounting. At the same time a resignation allowed us to appointment a new, professional clerk from outside of the school, who has facilitated improved meeting disciplines and the quality of our minutes.

The Management Committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G Hayward, Chair	6	6
Mr C Sanders, Vice Chair	6	6
Mr A Harris	6	6
Mrs M Clarke	6	6
Dr J Cordwell	2	5
Miss A Dixon (resigned 31st August 2014)	4	5
Mr V Jotcham (resigned 31st March 2014)	2	4
Mrs J Kendall	3	5
Mr S Harding	4	5
Mr G Robson (resigned 9th July 2014)	5	5
Mrs L Chase	3	5

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 Katharine Lady Berkeley's School for the year 1st September 2013 to 31st August 2014 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 1st September 2013 to 31st August 2014 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 Management Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed D McCoubrie, a Co-Opted Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a semi-annual basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (continued)

We confirm that the RO function has been delivered in line with the planned schedule of works. There have been no material control issues arising from the RO reports thus far.

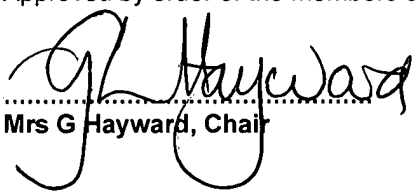
REVIEW OF EFFECTIVENESS

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:

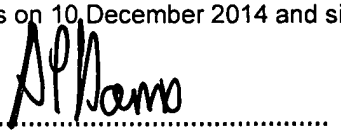
- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 10 December 2014 and signed on its behalf, by:



.....
Mrs G Hayward, Chair



.....
Mr A Harris, Head Teacher

KATHARINE LADY BERKELEY'S SCHOOL

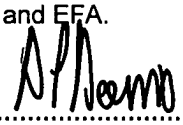
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Katharine Lady Berkeley's School I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

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



.....

Mr A Harris, Head Teacher

Date: 10 December 2014

KATHARINE LADY BERKELEY'S SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014

The Trustees (who act as governors of Katharine Lady Berkeley's School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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 EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 on 10 December 2014 and signed on its behalf by:

.....
Mrs G Hayward, Chair

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF KATHARINE LADY BERKELEY'S SCHOOL

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31st August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

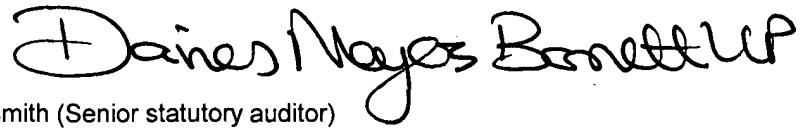
In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF KATHARINE LADY BERKELEY'S SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Nicola Smith (Senior statutory auditor)

for and on behalf of

Davies Mayers Barnett LLP

Chartered Accountants
Statutory Auditors
Pillar House
113/115 Bath road
Cheltenham
Gloucestershire
GL53 7LS
10 December 2014

KATHARINE LADY BERKELEY'S SCHOOL

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KATHARINE LADY BERKELEY'S SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22nd September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Katharine Lady Berkeley's School during the year 1st September 2013 to 31st August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF KATHARINE LADY BERKELEY'S SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1st September 2013 to 31st August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

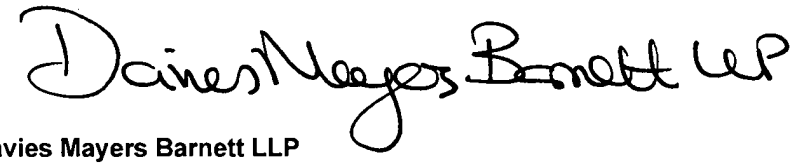
INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KATHARINE LADY BERKELEY'S SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the EFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1st September 2013 to 31st August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Davies Mayers Barnett LLP

Chartered Accountants
Reporting Accountants
Pillar House
113/115 Bath road
Cheltenham
Gloucestershire
GL53 7LS

10 December 2014

KATHARINE LADY BERKELEY'S SCHOOL

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31ST AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	**18,063**	**420,266**	**29,050**	**467,379**	709,190
Activities for generating funds	3	**47,647**	**-**	**-**	**47,647**	33,044
Investment income	4	**827**	**-**	**-**	**827**	910
Incoming resources from charitable activities:	5					
Funding for the Academy Trust's educational operations		**226,410**	**7,058,615**	**876,614**	**8,161,639**	7,652,780
TOTAL INCOMING RESOURCES		**292,947**	**7,478,881**	**905,664**	**8,677,492**	8,395,924
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		**18,063**	**443,040**	**-**	**461,103**	501,270
Costs of activities for generating funds		**36,194**	**-**	**-**	**36,194**	33,044
Charitable activities:						
Academy Trust's educational operations		**226,410**	**6,886,867**	**764,135**	**7,877,412**	7,874,056
Other costs of activities		**11,453**	**-**	**-**	**11,453**	-
Governance costs	8	**-**	**53,137**	**-**	**53,137**	42,142
TOTAL RESOURCES EXPENDED	6	**292,120**	**7,383,044**	**764,135**	**8,439,299**	8,450,512
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		**827**	**95,837**	**141,529**	**238,193**	(54,588)

KATHARINE LADY BERKELEY'S SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	17	**(1,500)**	**(49,632)**	**51,132**	**-**	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		**(673)**	**46,205**	**192,661**	**238,193**	(54,588)
Actuarial gains and (losses) on defined benefit pension schemes		**-**	**(514,000)**	**-**	**(514,000)**	58,000
NET MOVEMENT IN FUNDS FOR THE YEAR		**(673)**	**(467,795)**	**192,661**	**(275,807)**	3,412
Total funds at 1st September 2013		36,777	(1,114,369)	31,946,723	30,869,131	30,865,719
TOTAL FUNDS AT 31ST AUGUST 2014		**36,104**	**(1,582,164)**	**32,139,384**	**30,593,324**	30,869,131

All activities relate to continuing operations.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 25 to 43 form part of these financial statements.

KATHARINE LADY BERKELEY'S SCHOOL

(A company limited by guarantee)
REGISTERED NUMBER: 07696921

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	13		**31,864,747**		31,861,932
CURRENT ASSETS					
Stocks	14	**2,683**		15,560	
Debtors	15	**737,262**		458,772	
Cash at bank and in hand		**738,288**		524,338	
		1,478,233		998,670	
CREDITORS: amounts falling due within one year	16	**(853,656)**		(610,471)	
NET CURRENT ASSETS			**624,577**		388,199
TOTAL ASSETS LESS CURRENT LIABILITIES			**32,489,324**		32,250,131
Defined benefit pension scheme liability	25		**(1,896,000)**		(1,381,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**30,593,324**		30,869,131
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	**313,836**		266,631	
Restricted fixed asset funds	17	**32,139,384**		31,946,723	
Restricted funds excluding pension liability		**32,453,220**		32,213,354	
Pension reserve		**(1,896,000)**		(1,381,000)	
Total restricted funds			**30,557,220**		30,832,354
Unrestricted funds	17		**36,104**		36,777
TOTAL FUNDS			**30,593,324**		30,869,131

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:

.....
Mrs G Hayward, Chair

KATHARINE LADY BERKELEY'S SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	21	**74,408**	246,382
Returns on investments and servicing of finance	22	**827**	910
Capital expenditure and financial investment	22	**138,715**	(132,341)
INCREASE IN CASH IN THE YEAR		**213,950**	114,951

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31ST AUGUST 2014

	2014 £	2013 £
Increase in cash in the year	**213,950**	114,951
MOVEMENT IN NET FUNDS IN THE YEAR	**213,950**	114,951
Net funds at 1st September 2013	**524,338**	409,387
NET FUNDS AT 31ST AUGUST 2014	**738,288**	524,338

1. ACCOUNTING POLICIES

Basis of preparation

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

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. On review, the Trustees have concluded that they are to adopt the going concern basis in preparing the annual financial statements.

Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

1. ACCOUNTING POLICIES (continued)

Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Long Leasehold Buildings

The Academy has a 125 year lease for the property it operates from. The terms and conditions attached to the lease have been considered by the Trustees and they have concluded that the risk and rewards of ownership have substantially transferred to the Academy and therefore a Long Leasehold Buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The valuation of the Long Leasehold Buildings has also been considered by the Trustees and included at what they consider a reasonable estimate of current market value (note 13 refers).

Tangible fixed assets and depreciation

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	2%
Motor vehicles	-	20%
Fixtures and fittings	-	10-20%
Computer equipment	-	25%
Leasehold Improvements	-	4%

1. ACCOUNTING POLICIES (continued)

Long leasehold buildings are depreciated over 50 years based on an assessment of remaining economic life when the assets were acquired.

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

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

Leased Assets

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

Stocks
Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1. ACCOUNTING POLICIES (continued)

Fund accounting

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

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

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Other donations	18,063	42,177	60,240	302,452
School funds	-	407,139	407,139	406,738
Voluntary income	18,063	449,316	467,379	709,190

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	32,082	-	32,082	13,020
Other income	15,565	-	15,565	20,024
	47,647	-	47,647	33,044

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Short term deposits	827	-	827	910

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,846,319	6,846,319	6,762,176
Other DfE/EFA Grants	-	120,428	120,428	307,657
Capital grants	-	876,614	876,614	278,048
	-	7,843,361	7,843,361	7,347,881
Other government grants				
Local authority grants	-	67,540	67,540	111,538
	-	67,540	67,540	111,538
Other funding				
Catering Services	185,425	-	185,425	178,532
Teaching Services	29,473	-	29,473	9,800
Other income	11,512	24,328	35,840	5,029
	226,410	24,328	250,738	193,361
	226,410	7,935,229	8,161,639	7,652,780

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other costs		
	2014 £	2014 £	2014 £	2014 £	2013 £
Costs of generating voluntary income	10,330	-	450,773	461,103	501,270
Costs of activities for generating funds	8,188	-	28,006	36,194	33,044
Direct costs	5,082,075	-	549,233	5,631,308	5,604,358
Support costs	798,102	1,151,036	308,419	2,257,557	2,269,698
Governance costs	33,895	-	19,242	53,137	42,142
	5,932,590	1,151,036	1,355,673	8,439,299	8,450,512

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2014

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	**5,082,075**	5,078,239
Educational supplies and services	**220,576**	200,483
Examination services	**138,302**	131,613
Staff development	**24,983**	36,850
Educational consultancy	**155,997**	151,884
Other direct costs	**9,375**	5,289
	5,631,308	5,604,358
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	**755,102**	754,342
Depreciation	**761,724**	804,269
Pension cost	**43,000**	51,000
Recruitment and support	**9,273**	10,368
Maintenance of premises and equipment	**276,364**	239,478
Cleaning	**13,143**	18,010
Rent and rates	**23,825**	23,225
Insurance	**75,980**	68,307
Security and transport	**49,913**	49,003
Catering	**92,203**	86,004
Bank interest and charges	**817**	479
Other support costs	**156,213**	165,213
	2,257,557	2,269,698
	7,888,865	7,874,056

8. GOVERNANCE COSTS

	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	**13,365**	12,675
Governance Auditors' non audit costs	**1,700**	1,150
Legal and professional fees	**4,177**	1,681
Governance expense - wages and salaries	**33,895**	26,636
	53,137	42,142

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned assets	**117,691**	160,236
- leased assets	**644,033**	644,033
Auditors' remuneration	**13,365**	12,675
Auditors' remuneration - non-audit	**1,700**	1,150
Operating leases - other	**39,763**	46,099

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	**4,769,666**	4,679,784
Social security costs	**351,539**	349,223
Other pension costs (Note 25)	**717,837**	690,370
	5,839,042	5,719,377
Supply teacher costs	**44,148**	126,347
Staff restructuring costs	**6,400**	22,079
Pension finance cost (Note 25)	**43,000**	51,000
	5,932,590	5,918,803

b. Staff severance payments

Included in staff restructuring costs is one non statutory/ non contractual severance payment totalling £6,400 (2013: £22,079).

c. Staff numbers

The average number of persons (including Senior Management Team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	**91**	95
Administration and support	**51**	49
	142	144

Included within the categories of Teachers and Administration and support are 8 (2013: 6) members of the Senior Management Team who are responsible for the day to day operations of the Academy.

10. STAFF (continued)

d. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	0
In the band £90,001 - £100,000	1	1
	3	3

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £22,953 (2013: £22,501).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2014 was £1,080 (2013 - £1,080). The cost of this insurance is included in the total insurance cost.

12. TRUSTEES' REMUNERATION AND EXPENSES

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

	2014 £	2013 £
Mr A Harris, Head Teacher	**110,000-115,000**	105,000-110,000
Mr T Andrews, Staff Trustee	**50,000-55,000**	50,000-55,000
Mrs L Price, Staff Trustee (resigned 1st November 2013)	**5,000-10,000**	40,000-45,000
Ms N de Silva	**35,000-40,000**	N/A

During the year ended 31st August 2014, no travel and subsistence expenses were reimbursed to Trustees (2013: £Nil).

Where other related party transactions arise involving the Trustees these are set out in note 26.

13. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost				
At 1st September 2013	**32,201,655**	**5,083**	**323,519**	**322,152**
Additions	**-**	**-**	**20,180**	**57,961**
Disposals	**-**	**-**	**(2,598)**	**-**
At 31st August 2014	**32,201,655**	**5,083**	**341,101**	**380,113**
Depreciation				
At 1st September 2013	**1,341,736**	**765**	**118,668**	**233,783**
Charge for the year	**644,033**	**1,017**	**45,839**	**40,022**
On disposals	**-**	**-**	**(188)**	**-**
At 31st August 2014	**1,985,769**	**1,782**	**164,319**	**273,805**
Net book value				
At 31st August 2014	**30,215,886**	**3,301**	**176,782**	**106,308**
At 31st August 2013	30,859,919	4,318	204,851	88,369

	Leasehold improvements £	Total £
Cost		
At 1st September 2013	**715,400**	**33,567,809**
Additions	**688,808**	**766,949**
Disposals	**-**	**(2,598)**
At 31st August 2014	**1,404,208**	**34,332,160**
Depreciation		
At 1st September 2013	**10,925**	**1,705,877**
Charge for the year	**30,813**	**761,724**
On disposals	**-**	**(188)**
At 31st August 2014	**41,738**	**2,467,413**
Net book value		
At 31st August 2014	**1,362,470**	**31,864,747**
At 31st August 2013	704,475	31,861,932

13. TANGIBLE FIXED ASSETS (continued)

The Academy lease land and buildings from Katharine Lady Berkeley's School Foundation. On conversion Trustees agreed to base their valuation of land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared to the additional benefit derived by the users of the accounts.

Due to the Academy buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost for recognition purposes.

14. STOCKS

	2014	2013
	£	£
Clothing	-	11,863
Catering	**2,683**	3,697
	2,683	15,560

15. DEBTORS

	2014	2013
	£	£
Other debtors	**179,081**	86,388
Prepayments and accrued income	**558,181**	372,384
	737,262	458,772

16. CREDITORS:
Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	**665,749**	140,297
Other taxation and social security	-	136,712
Accruals and deferred income	**187,907**	333,462
	853,656	610,471

	£
Deferred income	
Deferred income at 1st September 2013	**116,025**
Resources deferred during the year	**116,915**
Amounts released from previous years	**(116,025)**
Deferred income at 31st August 2014	**116,915**

Income received during the year ended 31st August 2014 specific to funding for future periods has been deferred accordingly.

17. STATEMENT OF FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:-

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	36,777	292,947	(292,120)	(1,500)	-	36,104
Restricted funds						
General Annual Grant (GAG)	86,138	6,846,319	(6,726,708)	(49,632)	-	156,117
Other DfE/EFA Grants	48,375	120,428	(120,428)	-	-	48,375
Other Government Grants	22,359	67,540	(67,540)	-	-	22,359
School Fund Account	90,452	407,139	(429,913)	-	-	67,678
Other donations	19,307	13,127	(13,127)	-	-	19,307
Other funds	-	24,328	(24,328)	-	-	-
Pension reserve	(1,381,000)	-	(1,000)	-	(514,000)	(1,896,000)
	(1,114,369)	7,478,881	(7,383,044)	(49,632)	(514,000)	(1,582,164)
Restricted fixed asset funds						
DfE/EFA capital grants	484,015	876,614	(27,487)	(5,120)	-	1,328,022
Predecessor school transfer	31,007,115	-	(681,248)	-	-	30,325,867
Capital expenditure from GAG and general reserves	193,207	-	(44,542)	51,291	-	199,956
Other donations	262,386	29,050	(10,858)	4,961	-	285,539
	31,946,723	905,664	(764,135)	51,132	-	32,139,384
Total restricted funds	30,832,354	8,384,545	(8,147,179)	1,500	(514,000)	30,557,220
Total of funds	30,869,131	8,677,492	(8,439,299)	-	(514,000)	30,593,324

17. STATEMENT OF FUNDS (continued)

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

The Restricted General Fund includes GAG and other grants receivable from the DfE/EFA towards the Academy's educational activities. Academy funds held in respect of education visits and events are also included in the Restricted General Fund.

The Restricted Fixed Asset Fund includes amounts receivable from the DfE/EFA in respect of tangible fixed assets held for Academy use.

The Pension Reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Transfers between the Unrestricted Fund and the Restricted Fixed Asset Fund relate to fixed asset purchases made from General Annual Grant during the period.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	**31,864,747**	**31,864,747**	31,861,932
Current assets	**140,053**	**518,203**	**819,977**	**1,478,233**	998,670
Current liabilities	**(103,949)**	**(207,097)**	**(542,610)**	**(853,656)**	(610,471)
Pension scheme liability	-	**(1,896,000)**	-	**(1,896,000)**	(1,381,000)
Difference	-	**2,730**	**(2,730)**	-	-
	36,104	**(1,582,164)**	**32,139,384**	**30,593,324**	30,869,131

19. CAPITAL COMMITMENTS

As at 31st August 2014, the Academy had capital commitments of £195,696 (2013: £34,711).

20. OPERATING LEASE COMMITMENTS

At 31st August 2014, the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Other		
Within 1 year	**1,232**	646
Between 2 and 5 years	**38,531**	42,227

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	**238,193**	(54,588)
Returns on investments and servicing of finance	**(827)**	(910)
Loss on disposal of fixed assets	**2,410**	-
Depreciation of tangible fixed assets	**761,724**	804,269
Capital grants from DfE and other capital income	**(905,664)**	(569,682)
Decrease in stocks	**12,877**	28,097
Increase in debtors	**(278,490)**	(325,771)
Increase in creditors	**243,185**	349,967
FRS 17 pension cost less contribution payable	**(42,000)**	(36,000)
FRS 17 pension finance costs	**43,000**	51,000
Net cash inflow from operations	**74,408**	246,382

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	**827**	910

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(766,949)**	(707,228)
Sale of tangible fixed assets	**-**	5,205
Capital grants from DfE and other capital income	**905,664**	569,682
Net cash inflow/(outflow) capital expenditure	**138,715**	(132,341)

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013	Cash flow	Other non-cash changes	31 August 2014
	£	£	£	£
Cash at bank and in hand:	524,338	213,950	-	738,288
Net funds	524,338	213,950	-	738,288

24. MEMBERS' LIABILITY

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

25. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Costs incurred in the period relating to TPS were £471,545 and relating to LGPS were £245,292 (2013: £474,677 (TPS), £251,075 (LGPS)).

Contributions amounting to £28,642 (LGPS) were payable to the scheme at 31st August 2014 (2013 - Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

25. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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

25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2014 was £358,219 (2013: £309,767), of which employer's contributions totalled £288,292 (2013: £251,075) and employees' contributions totalled £69,927 (£58,692). The agreed contribution rates for future years are 29.8% for employers and for employees will vary dependent on salary banding between 5.5% and 12.5%.

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.

Employer Contributions

At 31st March 2013, a formal valuation of the LGPS was undertaken and determined the contributions payable to the fund from 1st April 2014 to 31st March 2017. The employer contribution rate payable is made up of a normal rate for future service plus additional amounts in relation to the deficit valued at 31st March 2013.

On this basis, the contribution rate which applies from 1st April 2014 is a normal future service contribution rate of 22.3% of pensionable pay per annum plus additional contributions in relation to the deficit. An allowance is included within the normal future service contribution rate for the expected costs associated with ill health early retirements and also for the administrative costs of running the Fund. The cost of any non-ill health early retirements, however, should be payable via additional contributions.

To recover the deficit via additional contributions, based on a recovery period of 20 years, the additional contribution rate required is 8.9% of pensionable pay per annum (the same rate identified for Gloucestershire County Council at the 2013 valuation), leading to an overall employer contribution rate applicable as at 31st March 2013 of 31.2% of pensionable pay which is being phased in with a maximum increase of 2.5% per annum.

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

	Expected return at 31 August 2014 %	**Fair value at 31 August 2014 £**	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	**6.30**	**937,000**	6.60	981,000
Bonds	**3.20**	**273,000**	3.80	273,000
Property	**4.50**	**78,000**	4.70	82,000
Cash/liquidity	**3.30**	**13,000**	3.60	27,000
Total market value of assets		**1,301,000**		1,363,000
Present value of scheme liabilities		**(3,197,000)**		(2,744,000)
Deficit in the scheme		**(1,896,000)**		(1,381,000)

25. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	**(3,197,000)**	(2,744,000)
Fair value of scheme assets	**1,301,000**	1,363,000
Net liability	**(1,896,000)**	(1,381,000)

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

	2014 £	2013 £
Current service cost	**(229,000)**	(193,000)
Interest on obligation	**(131,000)**	(100,000)
Expected return on scheme assets	**88,000**	49,000
Past service cost	**-**	(35,000)
Total	**(272,000)**	(279,000)
Actual return on scheme assets	**208,000**	156,000

The expected return on assets is based on the long term future expected investment return for each asset class at the beginning of the year.

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

	2014 £	2013 £
Opening defined benefit obligation	**2,744,000**	2,313,000
Current service cost	**229,000**	193,000
Interest cost	**131,000**	100,000
Contributions by scheme participants	**60,000**	54,000
Actuarial Losses	**89,000**	49,000
Past service costs	**-**	35,000
Benefits paid	**(56,000)**	-
Closing defined benefit obligation	**3,197,000**	2,744,000

25. PENSION COMMITMENTS (continued)

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

	2014	2013
	£	£
Opening fair value of scheme assets	**1,363,000**	889,000
Expected return on assets	**88,000**	49,000
Actuarial gains and (losses)	**(425,000)**	107,000
Contributions by employer	**271,000**	264,000
Contributions by employees	**60,000**	54,000
Benefits paid	**(56,000)**	-
	1,301,000	1,363,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £576,000 loss (2013 - £62,000 loss).

The Academy expects to contribute £305,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	**3.70 %**	4.60 %
Expected return on scheme assets at 31st August	**5.50 %**	5.90 %
Rate of increase in salaries	**3.90 %**	4.60 %
Rate of increase for pensions in payment / inflation	**2.60 %**	2.80 %
Inflation assumption (CPI)	**2.10 %**	2.10 %
Commutation of pensions to lump sums	**50.00 %**	50.00 %

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

	2014	2013
Retiring today		
Males	**22.5**	21.7
Females	**24.6**	23.6
Retiring in 20 years		
Males	**24.4**	23.5
Females	**27.0**	25.8

25. PENSION COMMITMENTS (continued)

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

Defined benefit pension schemes

	2014	2013	2012
	£	£	£
Defined benefit obligation	**(3,197,000)**	(2,744,000)	(2,313,000)
Scheme assets	**1,301,000**	1,363,000	889,000
Deficit	**(1,896,000)**	(1,381,000)	(1,424,000)
Experience adjustments on scheme liabilities	**(89,000)**	(49,000)	(98,000)
Experience adjustments on scheme assets	**(425,000)**	107,000	(22,000)

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2014	**Approximate % increase to Employer Liability**	**Approximate monetary amount (£000)**
0.5% decrease in Real Discount Rate	11%	339,000
1 year increase in member life expectancy	3%	96,000
0.5% increase in Salary Increase Rate	4%	127,000
0.5% increase in the Pension Increase Rate	6%	204,000

26. RELATED PARTY TRANSACTIONS

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

J Cordwell, a Trustee, was also a councillor for Gloucestershire County Council and Wotton Town Council during the period. This role does not give J Cordwell significant influence over pricing of Service Level Agreements or other Academy and Educational decisions and the disclosure of transactions between Gloucestershire County Council and Wotton Town Council and the Academy is therefore not considered necessary.