

Registered number: 07696921

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31ST AUGUST 2015**

Members and Trustees	Mrs G Hayward, Chair, Co-opted Trustee * Mr A Harris, Headteacher * Mr T Andrews, Staff Trustee (resigned 14th September 2015) Ms N de Silva, Staff Trustee Mrs L Chase, Foundation Trustee (resigned 1st January 2015) Mrs M Clarke, Foundation Trustee * Dr J Cordwell, Foundation Trustee Mr D Bush, Foundation Trustee (appointed 1st January 2015) Mr I Trayling, Foundation Trustee (appointed 1st January 2015) Mrs J Kendall, Foundation Trustee Mr C Jenner, Foundation Trustee Ms R Robinson, Parent Trustee Mrs J Phillips, Parent Trustee (appointed 10th December 2014) Mr C Sanders, Parent Trustee * Mr S Harding, Parent Trustee (resigned 16th July 2015) Mr M Challis, Co-opted Trustee (resigned 18th March 2015) Mr D McCoubrie, Co-opted Trustee * (resigned 17th July 2015) Mr M Valentine, Parent Trustee (resigned 2nd September 2014) Mr W Lee, Co-opted Trustee (appointed 14th October 2015) Mr A Farwell, Staff Trustee (appointed 14th October 2015) * Members of the Finance Committee
Company secretary	Mrs F MacMillan (appointed 1st July 2015) Mr S Blackshaw (resigned 30th June 2015)
Senior management team	Mr A Harris, Headteacher Miss H Khan, Deputy Headteacher Mr C Mann, Deputy Headteacher Miss F Bailey, Assistant Headteacher Miss K John, Assistant Headteacher Mr R Warren, Assistant Headteacher Mrs J Whalley, Assistant Headteacher (resigned 31st August 2015) Mr S Blackshaw, Finance & Business Director (resigned 30th June 2015)
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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31ST AUGUST 2015**

Administrative details (continued)

Bankers	Lloyds TSB 12 Rowcroft Stroud Gloucestershire GL5 3BD
Solicitors	Harrison Clark Rickerbys LLP Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

KATHARINE LADY BERKELEY'S SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2015

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 2015. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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 Governors act as the Trustees 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 maintains Trustees' Liability insurance. This is currently with Zurich Municipal with a policy expiry date of 30th July 2016.

PRINCIPAL ACTIVITIES

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

- the Academy 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 Academy provides education for pupils of different abilities;
- the Academy provides education for pupils who are wholly or mainly drawn from the area in which the Academy is situated.
- there will be an emphasis on the need of individual pupils including pupils with Special Educational Needs (SEN);
- the Academy will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.

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, Academy staff and co-opted from the local community dependent upon skill requirements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Academy has adopted an in-house programme of induction for all new Trustees and new governors also attend an induction course run by Gloucestershire County Council. This includes information about the Academy, 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 Academy through the following committee structure:

- Teaching and Learning
- Finance
- 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 Academy for Trustees' information.

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

ORGANISATIONAL STRUCTURE

On a day to day basis the operational running of the Academy has been delegated to the Headteacher. The Headteacher is able to delegate the day to day running of the Academy to the Deputy Headteachers as needed. The Headteacher acts as the Accounting Officer. The Senior Management Team comprises the Headteacher and 5 (2014:7) other members of staff. The Chief Financial Officer is the line manager for the finance staff and reports directly to the Headteacher.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

RISK MANAGEMENT

The Trustees are responsible for the management of risks faced by the Academy. The Trustees are assisted in this task by the Finance 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..

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.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As described in our Funding Agreement, the Academy'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 Governors 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

OBJECTIVES AND AIMS

- To ensure that students are happy at the Academy 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

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

The Academy Trust 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

Public Examination Results

While there are many measures of an Academy'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 2015 but the headline statistics are as shown below:

GCSE	% achieving 5 or more grades A* to C	73%
	% pupils achieving A* to C in English and Mathematics	74%
	% disadvantaged pupils achieving A* to C in English and Mathematics	64%
	% entries resulting in grades A/A*	31%
	% achieving the English Baccalaureate	45%
	% achieving the expected progress in English	82%
	% achieving the expected progress in Mathematics	82%
GCE A Level	% entries resulting in grades A*/A/B	69%
	% entries resulting in grades A/A*	41%
	Average points score per entry	226.2

The above results are very good at GCSE and outstanding at A level. The Academy 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).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

ACHIEVEMENTS AND PERFORMANCE (continued)

Ofsted Inspection

The Academy 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:

2014/15	1454
2013/14	1454
2012/13	1491
2011/12	1521
2010/11	1533

Attendance

For terms 1 to 4 during 2014/15, 1185 pupils of compulsory school age were on roll for at least one session. 4.1% of sessions were missed through authorised absence and 0.43% through unauthorised absence.

Staffing

For 2014/15, the teacher staffing establishment was 87.8 full time equivalent. The non-teaching staff establishment was 49.5 full time equivalent.

SCHOOL IMPROVEMENT PLAN 2014/15

- 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 improved the GCSE grades awarded in German, French 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 Stage 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.

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TRUSTEES' REPORT (continued)
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SCHOOL IMPROVEMENT PLAN 2014/15 (continued)

- 6) To reduce staffing levels and to identify other efficiencies so that expenditure matches the budget required to retain a sufficient operating surplus (at least £100,000).
- 7) To develop and implement a marketing strategy in order to mitigate the effects of demographic change in this area. This is to include working with Year 5 pupils to make this the school of choice at the end of Year 6.
- 8) 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.
- 9) To ensure that the Academy is in a position to take advantage of capital grants that may become available for major development, for example dining and post 16 accommodation.

KEY FINANCIAL PERFORMANCE INDICATORS

As at the 31st August 2015, the overall revenue surplus (excluding pension reserve) carried forward amounted to £283,298 (2014: £349,940).

The number on roll used as the basis for our grant income in this period was 1446.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the 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 year ended 31st August 2015 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 2014 to 2015, 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 2015 the net book value of fixed assets was £31,398,139 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 1180 in September 2014 to 1080 in September 2017. The number of post 16 students is expected to be maintained at around 280 during this period. In addition to reducing student numbers, there will also be the unfunded cost pressures of increased Teachers' Pensions employer's contributions (as from September 2015), increased National Insurance contributions (as from April 2016), unfunded pay increases for teaching and non-teaching staff and the introduction of the minimum living wage.

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TRUSTEES' REPORT (continued)
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Financial Review (continued)

In order to prepare for these financial pressures, a review of staffing was carried out during 2014/15. The size of the Leadership team was reduced from 8 to 6 members of staff, the number of teaching staff was reduced by 4 FTE and the number of non teaching staff was reduced by 4 FTE.

As a result of these changes, it is anticipated that the income for 2015/16 will exceed the expenditure and that the Academy is in a sustainable financial position.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Reserves held are those 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 Academy to manage any reduction in income from one year to the next in a strategic way.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

INVESTMENT POLICY

The Investment Policy is required to ensure that funds are invested appropriately and that investments are protected rather than maximising interest. Short term investments are restricted to transfers to the Academy deposit account.

The Academy will ensure that approximately 3% of the General Annual Grant is available for immediate access to allow for unexpected short term calls on funds.

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 Academy as a whole. Specific foci for 2015/16 are as follows:

- 1) Assessment and monitoring progress at Key Stage 3:
 - a) To continue the redevelopment of tracking progress in Years 7 and 8 using levels/descriptors or relative attainment with targets set for the end of Year 8.
 - b) To extend the use of GCSE criteria in Year 9 for tracking progress so that projected GCSE grades can be used throughout Years 9, 10 and 11.
- 2) To make the quality of marking and feedback consistent throughout the Academy through agreed guidelines concerning the nature and frequency of marking and the explicit reference to this in lesson observations and appraisal.
- 3) Pupil Premium 'gap'. To continue to support students through additional in class support in Mathematics, small group extraction from English and mentoring from specialist support workers in order to help students in receipt of Pupil Premium funding to make similar progress to other students.
- 4) Progress made by less able in Mathematics. To continue to provide additional support for these students at Key Stage 3 in preparation for the new GCSE examinations and the entry of as many as possible for the Higher Level examination
- 5) Attainment at GCSE in English:
 - a) To review the use of the iGCSE particularly in light of its removal from the performance tables as from 2017;
 - b) To understand how to enable overall results with the home board GCSE to be in line with historical results and to be consistent over time.
- 6) Making/enabling the new staffing structures to fulfil the needs of the Academy. Particular pressure points are:
 - a) Reduced leadership capacity;
 - b) Reduced secretarial support for departments;
 - c) Site team efficiency;
 - d) Avoid a mismatch between curriculum need and subject specialisms.
- 7) Managing the reduced and reducing income. To ensure that teacher staffing is reduced in line with changing student numbers in order to maintain a balanced budget.
- 8) Cashless catering - to be implemented alongside new dining arrangements with a target date of the end of October 2015.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

PLANS FOR FUTURE PERIODS (continued)

- 9) To consider reducing the Academy's PAN to 220. This takes into account the Gloucestershire forecast number and is to be considered due to the negative practical and other implications of having spare places. However, the decision needs to be informed by possible changes to traditional intake patterns.
- 10) To develop the links between the school improvement plan, performance management and professional development for all staff in order to fully support school improvement.
- 11) Publicity and marketing, focussing on Year 12 as well as Year 7 intakes to include:
 - a) More publicity surrounding the successes of the Academy;
 - b) Publicising the high quality and effective support provided for students with SEN;
 - c) Ensuring that parents/carers outside our immediate catchment area are aware of what the Academy can offer their children.

In addition to the above, the Academy will seek funding from all possible sources, including the DfE, to improve accommodation and facilities with particular focus on: sixth form accommodation; updating science teaching areas; 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 the Strategic report, was approved by order of the Board of Trustees on 9 December 2015 and signed on the board's behalf by:



.....
Mrs G Hayward, Chair

KATHARINE LADY BERKELEY'S SCHOOL
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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 Statement of Trustees' Responsibilities. 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 A Harris	7	7
Mr T Andrews (resigned 14th September 2015)	5	7
Ms N de Silva	6	7
Mrs L Chase (resigned 1st January 2015)	2	2
Mrs M Clarke	7	7
Dr J Cordwell	4	7
Mr D Bush (appointed 1st January 2015)	4	5
Mr I Trayling (appointed 1st January 2015)	4	5
Mrs J Kendall	7	7
Mr C Jenner	7	7
Ms R Robinson	6	7
Mrs J Phillips (appointed 10th December 2014)	4	5
Mr C Sanders	7	7
Mr S Harding (resigned 16th July 2015)	5	7
Mr M Challis (resigned 18th March 2015)	2	4
Mr D McCoubrie (resigned 17th July 2015)	3	7
Mr M Valentine (resigned 2nd September 2014)	0	0
Mr W Lee (appointed 14th October 2015)	0	0
Mr A Farwell (appointed 14th October 2015)	0	0

Governance reviews:

The Board of Trustees held a workshop in October 2014 to review Governance using a structure based on the OFSTED criteria for Governance with the particular objective of improving the value of their visits to the Academy. During the workshop, the Trustees RAG rated themselves against each of the OFSTED criteria. As a result of this, a set of key actions was identified covering areas such as assessment, longer term financial planning, performance related pay, self evaluation and strategies for improving the quality of Trustee visits to subject departments.

The Finance 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.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G Hayward, Chair	7	7
Mr C Sanders, Vice Chair	6	7
Mr A Harris	7	7
Mrs M Clarke	3	7
Mr D McCoubrie (resigned 17th July 2015)	5	7

REVIEW OF VALUE FOR MONEY

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

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

- Ensuring the best possible outcomes for students through improved tracking of progress and targeted intervention where appropriate.
- Improvements to the strategy used to support disadvantaged students enabling more effective use of Pupil Premium funding.
- Restructuring and reducing the staffing for the administrative support of subject departments in order to pool the resource so that sufficient support can be provided with less staff.
- Restructuring the Leadership team in order to provide cost reduction and increased efficiency.
- Benchmarking expenditure against that in other schools using the data collated by Gloucestershire Association of Headteachers.
- Avoiding waste and extravagance, including improving the energy efficiency of the Academy through the installation of double glazed windows in certain areas and the use of more efficient lighting systems.
- Effective planning for anticipated changes to income (reducing student numbers due to demographic change) and costs (including teachers' pensions, National Insurance contributions and unfunded pay increases) in future periods.
- Implementing a more comprehensive marketing strategy in order to try to mitigate the forecast reductions in student numbers due to demographic change.
- Alterations to existing buildings in order to improve the Academy's catering facilities which will increase capacity and efficiency.
- Moving to all generic home to school communications being made electronically rather than on paper.

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 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

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 2014 to 31st August 2015 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 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 appoint a Responsible officer (RO). This was D McCoubrie (a Co-opted Trustee) until July 2015 and Mr C Jenner (a Foundation Trustee) since September 2015.

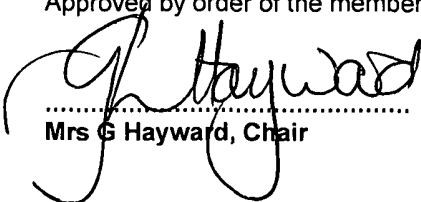
REVIEW OF EFFECTIVENESS

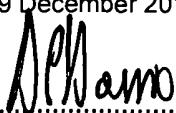
As Accounting Officer, Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 9 December 2015 and signed on its behalf, by:


.....
Mrs G Hayward, Chair


.....
Mr A Harris, Headteacher & Accounting Officer

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

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 (2014).

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 (2014).

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


.....
**Mr A Harris, Headteacher &
Accounting Officer**

Date: 9th December 2015

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

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015

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:

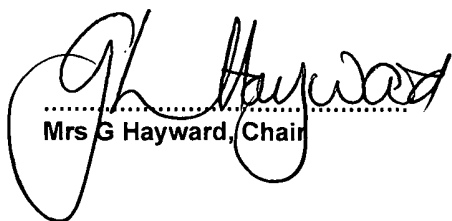
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 9 December 2015 and signed on its behalf by:



Mrs G Hayward, Chair

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

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

We have audited the financial statements of Katharine Lady Berkeley's School for the year ended 31st August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31st August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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
9 December 2015

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 2014 to 2015, 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 2014 to 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

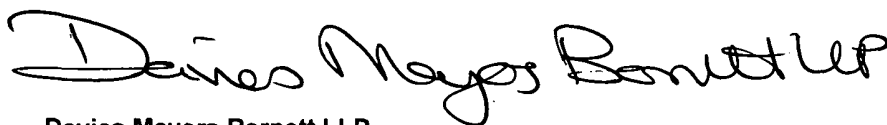
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KATHARINE
LADY BERKELEY'S SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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 year; 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 2014 to 31st August 2015 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

9 December 2015

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 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	17,701	292,517	34,000	344,218	467,379
Activities for generating funds	3	35,462	-	-	35,462	47,647
Investment income	4	758	-	-	758	827
Incoming resources from charitable activities:	5					
Funding for the Academy Trust's educational operations		212,207	6,773,558	29,558	7,015,323	8,161,639
TOTAL INCOMING RESOURCES		266,128	7,066,075	63,558	7,395,761	8,677,492
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of activities for generating funds	7	20,496	-	-	20,496	36,194
Charitable activities:						
Academy Trust's educational operations		213,553	7,071,084	808,826	8,093,463	8,349,968
Governance costs	8	-	54,820	-	54,820	53,137
TOTAL RESOURCES EXPENDED	6	234,049	7,125,904	808,826	8,168,779	8,439,299
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		32,079	(59,829)	(745,268)	(773,018)	238,193

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

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	17	-	(89,892)	89,892	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		32,079	(149,721)	(655,376)	(773,018)	238,193
Actuarial gains and (losses) on defined benefit pension schemes		-	(43,000)	-	(43,000)	(514,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		32,079	(192,721)	(655,376)	(816,018)	(275,807)
Total funds at 1st September 2014		36,104	(1,582,164)	32,139,384	30,593,324	30,869,131
TOTAL FUNDS AT 31ST AUGUST 2015		68,183	(1,774,885)	31,484,008	29,777,306	30,593,324

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

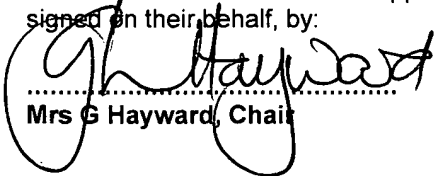
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REGISTERED NUMBER: 07696921

**BALANCE SHEET
AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		31,398,139		31,864,747
CURRENT ASSETS					
Stocks	14	2,933		2,683	
Debtors	15	188,639		737,262	
Cash at bank and in hand		502,257		738,288	
			<u>693,829</u>	<u>1,478,233</u>	
CREDITORS: amounts falling due within one year	16	(324,662)		(853,656)	
NET CURRENT ASSETS			<u>369,167</u>		<u>624,577</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,767,306</u>		<u>32,489,324</u>
Defined benefit pension scheme liability	25		(1,990,000)		(1,896,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>29,777,306</u></u>		<u><u>30,593,324</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	215,115		313,836	
Restricted fixed asset funds	17	31,484,008		32,139,384	
Restricted funds excluding pension liability		31,699,123		32,453,220	
Pension reserve		(1,990,000)		(1,896,000)	
Total restricted funds			<u>29,709,123</u>		<u>30,557,220</u>
Unrestricted funds	17		<u>68,183</u>		<u>36,104</u>
TOTAL FUNDS			<u><u>29,777,306</u></u>		<u><u>30,593,324</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 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 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	21	41,871	74,408
Returns on investments and servicing of finance	22	758	827
Capital expenditure and financial investment	22	(278,660)	138,715
(DECREASE)/INCREASE IN CASH IN THE YEAR		(236,031)	213,950

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31ST AUGUST 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(236,031)	213,950
MOVEMENT IN NET FUNDS IN THE YEAR	(236,031)	213,950
Net funds at 1st September 2014	738,288	524,338
NET FUNDS AT 31ST AUGUST 2015	502,257	738,288

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2015

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 2014 to 2015 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2015

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%

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2015

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.

Agency arrangements

The Academy Trust acts as an agent in distributing certain monies to students, for example 16-19 Bursary funding from EFA in so far as these are not discretionary in nature. However, the Trustees believe the amounts to be immaterial in the period covered by these financial statements and have therefore not excluded this income and expenditure from 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the EFA, Department for Education and School Fund accounts.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other donations	17,701	32,987	50,688	60,240
School funds	-	291,530	291,530	407,139
Donated fixed assets	-	2,000	2,000	-
Voluntary income	17,701	326,517	344,218	467,379

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	34,363	-	34,363	32,082
Other income	1,099	-	1,099	15,565
	35,462	-	35,462	47,647

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2015**

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	758	-	758	827

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,534,249	6,534,249	6,846,319
Other DfE/EFA Grants	-	145,485	145,485	120,428
Capital grants	-	29,558	29,558	876,614
	-	6,709,292	6,709,292	7,843,361
Other government grants				
Local authority grants	-	93,824	93,824	67,540
	-	93,824	93,824	67,540
Other funding				
Catering Services	200,128	-	200,128	185,425
Teaching Services	-	-	-	29,473
Other income	12,079	-	12,079	35,840
	212,207	-	212,207	250,738
	212,207	6,803,116	7,015,323	8,161,639

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6. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of activities for generating funds	-	19,863	633	20,496	36,194
Costs of generating funds	-	19,863	633	20,496	36,194
Direct costs	5,004,108	-	720,040	5,724,148	6,087,411
Support costs	915,496	1,105,804	348,015	2,369,315	2,262,557
Charitable activities	5,919,604	1,105,804	1,068,055	8,093,463	8,349,968
Governance costs	27,479	-	27,341	54,820	53,137
	5,947,083	1,125,667	1,096,029	8,168,779	8,439,299

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7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	5,004,108	5,092,405
Educational supplies and services	136,810	228,703
Examination services	164,147	146,035
Staff development	26,836	24,983
Educational consultancy	92,470	155,997
Other direct costs	22,200	9,375
School funds	277,577	429,913
	<u>5,724,148</u>	<u>6,087,411</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	871,496	755,102
Depreciation	808,826	761,724
Pension cost	44,000	43,000
Recruitment and support	6,259	9,273
Maintenance of premises and equipment	215,361	281,364
Cleaning	9,978	13,143
Rent and rates	24,375	23,825
Insurance	47,264	75,980
Security and transport	45,129	49,913
Catering	91,985	92,203
Bank interest and charges	897	817
Other support costs	203,745	156,213
	<u>2,369,315</u>	<u>2,262,557</u>
	<u><u>8,093,463</u></u>	<u><u>8,349,968</u></u>

8. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Governance Auditors' remuneration	21,795	13,365
Governance Auditors' non audit costs	1,465	1,700
Legal and professional fees	3,179	4,177
Support costs	902	-
Staff costs	27,479	33,895
	<u>54,820</u>	<u>53,137</u>

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9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned assets	164,793	117,691
- leased assets	644,033	644,033
Auditors' remuneration	21,795	13,365
Auditors' remuneration - non-audit	1,465	1,700
Operating leases - other	37,944	39,763
	<u> </u>	<u> </u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,688,051	4,756,053
Social security costs	341,899	351,539
Other pension costs (Note 25)	771,959	731,450
	<u>5,801,909</u>	<u>5,839,042</u>
Supply teacher costs	49,627	44,148
Compensation payments	51,547	6,400
Pension finance cost (Note 25)	44,000	43,000
	<u>5,947,083</u>	<u>5,932,590</u>

b. Staff severance payments

Included in staff restructuring costs is one non statutory/ non contractual severance payment totalling £12,852 (2014: £6,400).

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:

	2015 No.	2014 No.
Teachers	88	91
Administration and support	50	51
	<u>138</u>	<u>142</u>

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10. STAFF (continued)

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

Three of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £31,187 (2014: £22,953).

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 2015 was £950 (2014 - £1,080). The cost of this insurance is included in the total insurance cost.

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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015	2014
	£	£
Mr A Harris, Headteacher - Remuneration	95,000-100,000	95,000-100,000
Mr A Harris, Headteacher - Employer's pension contributions	10,000-15,000	10,000-15,000
Mrs L Price, Staff Trustee (resigned 1st November 2013) - Remuneration	N/A	5,000-10,000
Mrs L Price, Staff Trustee (resigned 1st November 2013) - Employer's pension contributions	N/A	0-5,000
Mr T Andrews, Staff Trustee - Remuneration	45,000-50,000	45,000-50,000
Mr T Andrews, Staff Trustee - Employer's pension contributions	5,000-10,000	5,000-10,000
Ms N de Silva, Staff Trustee (appointed 26th March 2014) - Remuneration	35,000-40,000	10,000-15,000
Ms N de Silva, Staff Trustee (appointed 26th March 2014) - Employer's pension contributions	5,000-10,000	0-5,000

During the year ended 31st August 2015, no travel and subsistence expenses were reimbursed to Trustees (2014: £Nil).

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

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13. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Leasehold improvements £
Cost					
At 1st September 2014	32,201,655	5,083	341,101	380,113	1,404,208
Additions	-	1,000	13,176	61,912	266,130
At 31st August 2015	32,201,655	6,083	354,277	442,025	1,670,338
Depreciation					
At 1st September 2014	1,985,769	1,782	164,319	273,805	41,738
Charge for the year	644,033	1,167	45,309	54,661	63,656
At 31st August 2015	2,629,802	2,949	209,628	328,466	105,394
Net book value					
At 31st August 2015	29,571,853	3,134	144,649	113,559	1,564,944
At 31st August 2014	30,215,886	3,301	176,782	106,308	1,362,470
					Total £
Cost					
At 1st September 2014					34,332,160
Additions					342,218
At 31st August 2015					34,674,378
Depreciation					
At 1st September 2014					2,467,413
Charge for the year					808,826
At 31st August 2015					3,276,239
Net book value					
At 31st August 2015					31,398,139
At 31st August 2014					31,864,747

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.

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14. STOCKS

	2015 £	2014 £
Catering	<u>2,933</u>	<u>2,683</u>

15. DEBTORS

	2015 £	2014 £
Trade debtors	12,600	-
Other debtors	36,865	179,081
Prepayments and accrued income	139,174	558,181
	<u>188,639</u>	<u>737,262</u>

**16. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	155,063	637,107
Other creditors	26,526	28,642
Accruals and deferred income	143,073	187,907
	<u>324,662</u>	<u>853,656</u>

Deferred income

Deferred income at 1st September 2014	116,915
Resources deferred during the year	107,038
Amounts released from previous years	<u>(116,915)</u>
Deferred income at 31st August 2015	<u>107,038</u>

Income received during the year ended 31st August 2015 specific to funding for future periods has been deferred accordingly.

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**NOTES TO THE FINANCIAL STATEMENTS
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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	36,104	266,128	(234,049)	-	-	68,183
Restricted funds						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	156,117	6,523,749	(6,565,862)	(50,135)	-	63,869
Other DfE/EFA Grants	48,375	155,985	(144,734)	-	-	59,626
Other Government Grants	22,359	93,824	(85,834)	-	-	30,349
School Fund Account	67,678	291,530	(277,577)	(39,757)	-	41,874
Other donations	19,307	987	(897)	-	-	19,397
Pension reserve	(1,896,000)	-	(51,000)	-	(43,000)	(1,990,000)
	<u>(1,582,164)</u>	<u>7,066,075</u>	<u>(7,125,904)</u>	<u>(89,892)</u>	<u>(43,000)</u>	<u>(1,774,885)</u>
Restricted fixed asset funds						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DfE/EFA capital grants	1,328,022	29,430	(48,926)	-	-	1,308,526
Predecessor school transfer	30,325,867	-	(675,172)	-	-	29,650,695
Capital expenditure from GAG and general reserves	199,956	-	(66,020)	50,135	-	184,071
Other donations	285,539	34,128	(18,708)	39,757	-	340,716
	<u>32,139,384</u>	<u>63,558</u>	<u>(808,826)</u>	<u>89,892</u>	<u>-</u>	<u>31,484,008</u>
Total restricted funds	<u>30,557,220</u>	<u>7,129,633</u>	<u>(7,934,730)</u>	<u>-</u>	<u>(43,000)</u>	<u>29,709,123</u>
Total of funds	<u>30,593,324</u>	<u>7,395,761</u>	<u>(8,168,779)</u>	<u>-</u>	<u>(43,000)</u>	<u>29,777,306</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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 Funds relates to fixed asset purchases made from revenue reserves 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 2015.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	31,398,139	31,398,139	31,864,747
Current assets	68,183	522,208	103,438	693,829	1,478,233
Current liabilities	-	(307,093)	(17,569)	(324,662)	(853,656)
Pension scheme liability	-	(1,990,000)	-	(1,990,000)	(1,896,000)
	<u>68,183</u>	<u>(1,774,885)</u>	<u>31,484,008</u>	<u>29,777,306</u>	<u>30,593,324</u>

19. CAPITAL COMMITMENTS

As at 31st August 2015, the Academy had no capital commitments (2014: £195,696).

20. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Other		
Within 1 year	3,318	1,232
Between 2 and 5 years	<u>31,060</u>	<u>38,531</u>

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21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(773,018)	238,193
Returns on investments and servicing of finance	(758)	(827)
Loss on disposal of fixed assets	-	2,410
Depreciation of tangible fixed assets	808,826	761,724
Capital grants from DfE and other capital income	(63,558)	(905,664)
(Increase)/decrease in stocks	(250)	12,877
Decrease/(increase) in debtors	548,623	(278,490)
(Decrease)/increase in creditors	(528,994)	243,185
FRS 17 pension cost less contribution payable	7,000	(42,000)
FRS 17 pension finance costs	44,000	43,000
Net cash inflow from operations	41,871	74,408

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	758	827
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(342,218)	(766,949)
Capital grants from DfE and other capital income	63,558	905,664
Net cash (outflow)/inflow capital expenditure	(278,660)	138,715

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	738,288	(236,031)	-	502,257
Net funds	738,288	(236,031)	-	502,257

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.

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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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £26,526 were payable to the LGPS scheme at 31st August 2015 (2014: £28,642) 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £477,266 (2014: £494,685).

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

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended was £348,388, of which employer's contributions totalled £287,693 and employees' contributions totalled £60,695. The agreed contribution rates for future years are 30.3% for employers and 5.5% and 12.5% for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.70	1,124,000	6.30	937,000
Bonds	3.70	358,000	3.20	273,000
Property	3.70	130,000	4.50	78,000
Cash/liquidity	3.70	16,000	3.30	13,000
Total market value of assets		1,628,000		1,301,000
Present value of scheme liabilities		(3,618,000)		(3,197,000)
Deficit in the scheme		(1,990,000)		(1,896,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,618,000)	(3,197,000)
Fair value of scheme assets	1,628,000	1,301,000
Net liability	(1,990,000)	(1,896,000)

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25. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Current service cost	(293,000)	(229,000)
Interest on obligation	(123,000)	(131,000)
Expected return on scheme assets	79,000	88,000
Past service cost	-	-
Total	(337,000)	(272,000)
Actual return on scheme assets	53,000	208,000

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:

	2015 £	2014 £
Opening defined benefit obligation	3,197,000	2,744,000
Current service cost	293,000	229,000
Interest cost	123,000	131,000
Contributions by scheme participants	62,000	60,000
Actuarial Losses	16,000	89,000
Benefits paid	(73,000)	(56,000)
Closing defined benefit obligation	3,618,000	3,197,000

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

	2015 £	2014 £
Opening fair value of scheme assets	1,301,000	1,363,000
Expected return on assets	79,000	88,000
Actuarial gains and (losses)	(27,000)	(425,000)
Contributions by employer	286,000	271,000
Contributions by employees	62,000	60,000
Benefits paid	(73,000)	(56,000)
	1,628,000	1,301,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £619,000 loss (2014 - £576,000 loss).

The Academy expects to contribute £308,000 to its Defined benefit pension scheme in 2016.

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25. PENSION COMMITMENTS (continued)

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31st August	3.70 %	5.50 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	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:

	2015	2014
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.4	24.4
Females	27.0	27.0

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(3,618,000)	(3,197,000)	(2,744,000)	(2,313,000)
Scheme assets	1,628,000	1,301,000	1,363,000	889,000
Deficit	(1,990,000)	(1,896,000)	(1,381,000)	(1,424,000)
Experience adjustments on scheme liabilities	(16,000)	(89,000)	(49,000)	(98,000)
Experience adjustments on scheme assets	(27,000)	(425,000)	107,000	(22,000)

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Sensitivity Analysis

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

Change in assumptions at 31 August 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	11%	386
1 year increase in member life expectancy	3%	109
0.5% increase in the Salary Increase Rate	4%	148
0.5% increase in the Pension Increase Rate	6%	229

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.

During the year, expenses were paid on behalf of Sport Wotton Limited, a Joint Venture which was established during the year, in which the Academy Trust has an interest. The total of these expenses amounted to £6,540 (2014: £Nil) and they have been included within other debtors at 31st August 2015.

In entering into the transaction above, the Trust has complied with the requirements of the EFA's Academies Financial Handbook 2014.