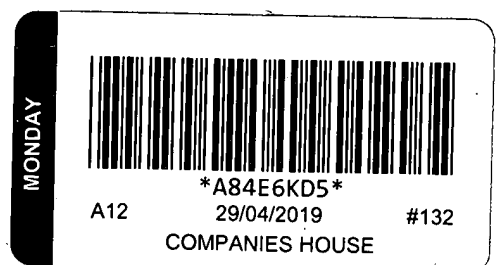


Company Registration No. 07696921 (England and Wales)

KATHARINE LADY BERKELEY'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



KATHARINE LADY BERKELEY'S SCHOOL

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KATHARINE LADY BERKELEY'S SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Member and Trustees

Dr H Holman (Foundation Governor, Chair from 11 October 2017)
(Appointed 11 October 2017)
Mrs G L Hayward (Co-opted Governor, Chair until 11 October 2017)
Mr A P Harris (Headteacher)
Mrs M Clarke (Foundation Governor)
Dr J E Cordwell (Foundation Governor)
Mr C Jenner (Foundation Governor)
Ms R Robinson (Foundation Governor)
Mr S Weston (Foundation Governor) (Appointed 10 October 2018)
Mrs S Haynes (Parent Governor)
Mrs S Cowan (Parent Governor) (Appointed 14 March 2018)
Mr B Rousseau (Parent Governor) (Appointed 14 March 2018)
Ms S Plant (Co-opted Governor) (Appointed 11 October 2017)
Mr R Shaw (Appointed 16 May 2018)
Mr J Blake (Staff Governor) (Appointed 16 May 2018)
Mr C R Sanders (Parent Governor) (Resigned 31 January 2018)
Mr D McCoubrie (Parent Governor) (Resigned 5 September 2017)
Mrs K Harvey (Parent Governor) (Resigned 22 November 2017)
Mrs K Harmsworth (Parent Governor) (Appointed 6 December 2017
and resigned 8 January 2018)
Ms N De Silva (Staff Governor) (Resigned 26 March 2018)
Mr A Farwell (Staff Governor) (Resigned 13 March 2018)
Mr I Trayling (Foundation Governor) (Resigned 7 February 2018)
Mr W Lee (Co-opted Governor) (Resigned 11 October 2017)
Mrs R Marshall (Co-opted Governor) (Resigned 14 January 2018)

Chief Finance Officer

- Chief Finance Officer

Mr R Jackman

Senior management team

- Headteacher
- Deputy Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Assistant Headteacher

Mr A Harris
Miss H Khan
Mr C Mann
Miss F Bailey
Miss K John
Mr R Warren

Company secretary

Mrs F MacMillan

Company registration number

07696921 (England and Wales)

Registered office

Kingswood Road
Wotton-Under-Edge
Gloucestershire
GL12 8RB

KATHARINE LADY BERKELEY'S SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Baldwins Audit Services
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Bankers

Lloyds Bank Plc
12 Rowcroft
Stroud
Gloucestershire
GL5 3BD

Solicitors

Harrison Clark Rickerbys LLP
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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 Trustees act as Governors for the charitable activities of Katherine 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 Katherine 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 2019.

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 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 and Disabilities (SEND);
- the school 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, school staff, appointed by Katharine Lady Berkeley's Foundation and co-opted from the local community dependent upon skill requirements.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and new Trustees also attend an induction course run by Gloucestershire County Council. 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 and Staffing
- Health & Safety
- Community and Wellbeing

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 Headteacher. The Headteacher is able to delegate the day to day running of the school to the Deputy Headteachers as needed. The Headteacher acts as the Accounting Officer. The Senior Management Team comprises the Headteacher and 5 other members of staff. The Chief Financial Officer is the line manager for the finance staff and reports directly to the Headteacher.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

Assistant Headteachers and Deputy Headteachers are paid in accordance with the Leadership Pay Scale published by the major teaching unions which reflect the DfE School Teachers Pay and Conditions document.

The pay scale for Assistant Headteachers is from point 13 to point 17. One Assistant Headteacher is paid two points above the top of this scale, at point 19, to reflect his extensive experience and additional responsibilities.

The pay scale for Deputy Headteachers is from point 20 to point 24. One Deputy Headteacher is paid two points above the top of this scale to reflect her extensive experience and wide range of responsibilities which include being Head of Sixth Form.

Progression on the pay scale for the above staff is dependent on successful performance management reviews which are carried out by the Headteacher.

The current pay scale for the Headteacher is in line with the with the size of the school, which is a large Group 7 school. The Trustees have also exercised their discretion to make an additional payment of £1,481pa to reflect the experience of the current Headteacher and additional responsibilities related to Finance and Business management. The Trustees use the support of an external adviser, who is a senior officer of Gloucestershire County Council, when carrying out the performance management of the Headteacher.

The Chief Finance Officer in post is paid on point 46 of the Local Government Pay Scale.

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 and Staffing 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.

Trade union facility time

There was no trade union facility time expenditure during the period 1st September 2017 to 31st August 2018, therefore there is no data to submit.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

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 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

At Katharine Lady Berkeley's School, we aim:

- through excellent teaching, to inspire all students to develop into eager, confident learners who reach the highest academic attainment of which they are capable, both at school and, in time, beyond;
- through opportunities for cultural and sporting enrichment, to inspire all students to develop into young people who are fulfilled in their lives;
- through an ethos of care for all, to enable students to develop into young people who communicate well, are confident in themselves, respectful of others and embrace difference.

In order to achieve these aims, we will:

1. Enable every child to make the best possible progress.
2. Maintain a broad and balanced curriculum with many opportunities for enrichment.
3. Provide outstanding pastoral support, especially for those who need it most.
4. Ensure that all members of the school community are committed to the welfare and progress of the students.
5. Value and support all staff and invest in their professional development.
6. Provide facilities and resources that fully support students' learning.
7. Link effectively with parents, carers, the local community, other schools, colleges, universities, employers and other partners.
8. Use systems to ensure that we understand the school's effectiveness and which support our continuous improvement.

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.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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's Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and 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 a school's performance, the key measures for a secondary school are outcomes at GCSE and at A level. The provisional overall headline statistics for students completing their courses in summer 2018 are as follows:

GCSE	% achieving grade 4 or above in English and mathematics	72%
	% achieving grade 5 or above in English and mathematics	48%
	% disadvantaged pupils grade 4 or above in English and mathematics	40%
	% entries resulting in grades A/A*	25%
	% achieving the English Baccalaureate (standard pass)	40%
	Progress 8 score	+ 0.03

GCE A Level	% entries resulting in grades A*/A/B	67%
	% entries resulting in grades A*/A	37%
	Average points score per entry	37.34
	A Level value added score	+ 0.20

The above results showed a dip in overall performance at GCSE compared to recent years but the results at A level were excellent. The school uses a range of benchmarking tools to evaluate performance including Analysing School Performance (DfE) and ALPS (A Level Performance System).

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Ofsted Inspection

The school was last inspected by OFSTED in May 2017. The overall judgement was that this is a 'Good' school, i.e. an OFSTED Grade 2. The grades for the five main areas of inspection were as follows:

Effectiveness of Leadership and management:	Outstanding (Grade 1)
Quality of teaching, learning and assessment:	Good (Grade 2)
Personal development, behaviour and welfare:	Outstanding (Grade 1)
Outcomes for pupils:	Good (Grade 2)
16 to 19 study programmes:	Outstanding (Grade 1)

Numbers on roll

The numbers on roll reduced due to demographic change in this area from 2010/11 to 2015/16. The school has been oversubscribed with first choice preferences for September 2016, 2017 and 2018. Sixth form numbers have reduced due to the demographic change referred to above. Numbers on roll at the start of the academic year for each of the last 6 years are as follows:

September 2018	1469	September 2015	1453
September 2017	1505	September 2014	1454
September 2016	1505	September 2013	1448

Attendance

For terms 1 to 4 during 2017/18, 1235 pupils of compulsory school age were on roll for at least one session. 4.5% of sessions were missed through authorised absence and 0.3% through unauthorised absence.

Staffing

For 2017/18, the teacher staffing establishment was 84.1 full time equivalent. The non teaching staff establishment was 49.5 full time equivalent.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

SCHOOL IMPROVEMENT PLAN 2017/18

1. Progress targets:
 - a. Progress in the 'open pool' – particularly Art, Music and Drama. For the open pool progress 8 score to be at least 0.3
 - b. Ongoing consideration of tiers of entry for mathematics GCSE to ensure high achievement for all students. For at least 80% grades 4 to 9 and progress 8 score of at least 0.3
2. Sixth form:
 - a. Continuing changes for linear A levels, consideration of 3 or 4 subjects in Year 12
 - b. Gender imbalance in certain subjects, for example mathematics and Physics at A level
3. Teaching:
 - a. To further develop the quality of feedback given to students to ensure that they can use it to improve their work
 - b. To ensure that teachers consistently provide work that is matched to students' abilities
 - c. To improve the overall standard of the presentation of students' work
4. Review of timing and procedures for setting in Year 7
5. Reconsideration of the nature of marking, especially at KS3
6. To re-consider the job descriptions of subject leaders, to provide suitable professional development and re-establish line management meetings
7. Long term strategy for ICT, i.e. the nature of provision around the school
8. Managing reducing income and increasing costs
9. Consideration of PAN – is 248 the most cost effective?
10. Teacher staff recruitment, especially in certain key subjects

Key performance indicators

At the end of the year, the overall balance (revenue and capital) amounted to £567,143 (excluding fixed assets and the pension scheme liability).

The number on roll used as the basis for our grant income in this period was 1502.

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 the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Financial Report for the Year

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31st August 2018 and the associated expenditure are shown as restricted funds (non fixed assets) in the Statement of Financial Activities.

The overall revenue surplus generated in the year ended 31st August 2018 was £104,096 resulting in the Academy's unrestricted and restricted reserves increasing to £206,071 and £315,072 respectively.

The Academy also receives grants for fixed assets from the ESFA. 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 2018 the net book value of fixed assets was £30,786,633 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.

After two years of undersubscription, the school has been fully subscribed since September 2014 with a significant increase in the number on roll in Years 7 to 11 in each of 2016, 2017 and 2018 due to large Year 7 groups replacing a smaller Year 11 groups. However, our Year 12 and 13 population, made up of students starting their courses in September 2017 and in September 2018 is reduced, over previous years (214 students in October 2018 compared to 296 students in October 2016) due to smaller Year 11 groups transferring into the sixth form and a retention rate of below 50% compared to 60% in previous years. This lower retention rate is largely the consequence of disappointing GCSE results. The current Year 11 (2018/19) includes 250 students and our GCSE results are improving such that it is anticipated that the sixth form population will increase over the next few years.

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 FRS102, 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.

Reserves policy

The Board of Trustees has established a reserves policy in line with ESFA (Education and Skills 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.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 and Skills Funding Agency (ESFA) 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.

Fundraising

Funds are raised by the students to support a range of charities. These include national and local charities, some of which have special significance relating to events at school. Funds were raised for the following charities in 2017-18:

- Diabetes UK
- CHIT
- British Heart Foundation
- Cancer Research
- Kingswood Defib Awareness Group
- Arthritis Research
- Children In Need
- Compassion UK
- Macmillan Cancer Support
- Make A Wish
- Sports Relief
- UNICEF

The school does not expect or request contributions from parents to support its own funding.

The school does not employ or work with professional fundraisers. Fundraising activities include non-uniform days, cake sales, sponsored sporting activities and events at lunchtime in which staff are in competition against students in school versions of well-known TV shows such as 'Would I Lie to You?' and 'Pointless'.

The charities for which funds may be raised are carefully considered to ensure that they comply with the regulatory requirements and adhere to suitable ethical standards. All funds raised in activities are passed to the relevant charities. No funds are retained for administration or other reasons.

Any complaints about fundraising would be made using the school's 'Complaints Procedure' as published on the school website.

The school is aware that fundraising activities create an additional demand on parents who may, themselves, be experiencing financial difficulty. Therefore contributions anticipated from each child are low and in some cases the contribution request is waived.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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. The focus areas for 2018/19 are as follows:

1) Continue to raise standards of Teaching and Learning by:

- Developing lesson observation procedures to gain more evidence about day to day practice around the school;
- Reinforcing the roles of subject leaders in monitoring the quality of Teaching and Learning.

2) To revise the procedures for setting targets and monitoring progress to include making use of ALPS based targets and analyses at Key Stage 4.

3) Numerical Progress Targets:

Summer 2019

- GCSE Progress 8 to be at least +0.2
- % attaining grade 5 or above in English and mathematics to be at least 60%
- % of entries resulting in grades 7 and above to be at least 30%
- A level ALPS to be at least grade 3

4) To review key aspects of the curriculum to ensure the best possible provision within the available resources. This review will include:

- Restructuring the existing PSHE and RE courses at Key Stage 4 to create a new Health, Wellbeing and Citizenship Education course;
- To introduce additional vocational courses at Key Stage 4 to provide greater differentiation and more appropriate programmes of study for less academic students;
- To review the sixth form offer for September 2019 in light of reducing post 16 numbers.

5) Effort – focus on mindset; opportunities to recognise effort; rewards review; monitor via Sims and reports

6) Strengthen the sense of community within the school

7) To use the pastoral audit to highlight groups and issues that are cause for concern

8) To ensure that all policies and procedures are fully compliant with the requirements of the General Data Protection Regulation.

9) To review the structure of governance.

10) To recruit and induct a new Headteacher including all stakeholder groups while creating minimum turbulence.

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; updating science teaching areas; assembly and performance space.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 05 December 2018 and signed on its behalf by:



Ms R Robinson
Trustee

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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:

Trustees	Meetings attended	Out of possible
Dr H Holman (Foundation Governor, Chair from 11 October 2017) (Appointed 11 October 2017)	7	7
Mrs G L Hayward (Co-opted Governor, Chair until 11 October 2017)	7	7
Mr A P Harris (Headteacher)	7	7
Mrs M Clarke (Foundation Governor)	7	7
Dr J E Cordwell (Foundation Governor)	4	7
Mr C Jenner (Foundation Governor)	6	7
Ms R Robinson (Foundation Governor)	7	7
Mr S Weston (Foundation Governor) (Appointed 10 October 2018)	0	0
Mrs S Haynes (Parent Governor)	4	7
Mrs S Cowan (Parent Governor) (Appointed 14 March 2018)	2	3
Mr B Rousseau (Parent Governor) (Appointed 14 March 2018)	2	3
Ms S Plant (Co-opted Governor) (Appointed 11 October 2017)	7	7
Mr R Shaw (Appointed 16 May 2018)		
Mr J Blake (Staff Governor) (Appointed 16 May 2018)	2	2
Mr C R Sanders (Parent Governor) (Resigned 31 January 2018)	3	3
Mr D McCoubrie (Parent Governor) (Resigned 5 September 2017)	0	0
Mrs K Harvey (Parent Governor) (Resigned 22 November 2017)	0	1
Mrs K Harmsworth (Parent Governor) (Appointed 6 December 2017 and resigned 8 January 2018)	1	1
Ms N De Silva (Staff Governor) (Resigned 26 March 2018)	4	5
Mr A Farwell (Staff Governor) (Resigned 13 March 2018)	4	4
Mr I Trayling (Foundation Governor) (Resigned 7 February 2018)	0	3
Mr W Lee (Co-opted Governor) (Resigned 11 October 2017)	0	0
Mrs R Marshall (Co-opted Governor) (Resigned 14 January 2018)	1	3

Governance review

Governance is kept under constant review. Wide ranging discussions about the structure of the Governing Body took place in January 2018 and a review of the structure of governance is a target for the 2018/19 school improvement plan.

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs H Holman, Chair	4	5
Mrs G Hayward	5	6
Mrs R Robinson	4	6
Mr A Harris	6	6
Mrs M Clarke	6	6
Mr C Jenner	5	6
Mr C Sanders (resigned 31 January 2018)	0	2
Mrs R Marshall (resigned 14 January 2018)	0	2

Review of value for money

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

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

- 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.
- Benchmarking expenditure against that in other schools using 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 LED lighting systems.
- Effective planning for anticipated changes in costs and income (including unfunded pay increases and delays to the introduction of the National Funding Formula) in future periods.
- Alterations to existing buildings in order to improve the Academy's science facilities to provide increased efficiency in the use of space and to ensure that all services and facilities meet current Health and Safety regulations.
- Renewal of fixed wiring to ensure electrical efficiency and compliance with current regulations.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. 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 and staffing 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. This is Mr C Jenner (a Foundation Trustee).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a termly basis, via the the Finance Committee the RO will report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There have been no material control issues arising from the RO reports thus far.

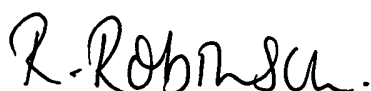
Review of effectiveness

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 auditor;
- the work of the senior 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 finance and staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 05 December 2018 and signed on its behalf by:



Ms R Robinson
Trustee



Mr A P Harris
Headteacher

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Katharine Lady Berkeley's School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy's 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 2017.

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



Mr A P Harris
Accounting Officer

05 December 2018



KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Katharine Lady Berkeley's School for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 05 December 2018 and signed on its behalf by:



Ms R Robinson
Trustee

KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Katharine Lady Berkeley's School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

KATHARINE LADY BERKELEY'S SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATHARINE LADY BERKELEY'S SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

KATHARINE LADY BERKELEY'S SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATHARINE LADY BERKELEY'S SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Nicola Smith (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

5 December 2018

Statutory Auditor

Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 15 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 period 1 September 2017 to 31 August 2018 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Katharine Lady Berkeley's School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Katharine Lady Berkeley's School and ESFA, 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 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 control relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy Trust governance matters during the year; and
- a general review and discussion of the Academy Trust's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

KATHARINE LADY BERKELEY'S SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KATHARINE LADY BERKELEY'S SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Baldwins Audit Services

05 December 2018

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	4	1,201	4,116	58,514	63,831	615,800
Charitable activities:						
- Funding for educational operations	5	337,083	7,202,748	-	7,539,831	7,310,330
Other trading activities	6	38,441	-	-	38,441	43,706
Investments	7	498	-	-	498	5,209
Total		377,223	7,206,864	58,514	7,642,601	7,975,045
Expenditure on:						
Raising funds	8	19,682	-	-	19,682	19,357
Charitable activities:						
- Educational operations	9	321,454	7,246,610	883,471	8,451,535	8,224,017
Total	8	341,136	7,246,610	883,471	8,471,217	8,243,374
Net income/(expenditure)		36,087	(39,746)	(824,957)	(828,616)	(268,329)
Transfers between funds	18	-	(52,245)	52,245	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	404,000	-	404,000	622,000
Net movement in funds		36,087	312,009	(772,712)	(424,616)	353,671
Reconciliation of funds						
Total funds brought forward		169,984	(1,840,937)	31,605,345	29,934,392	29,580,721
Total funds carried forward		206,071	(1,528,928)	30,832,633	29,509,776	29,934,392

KATHARINE LADY BERKELEY'S SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13		30,786,633		31,469,180
Current assets					
Stocks	14	3,341		3,341	
Debtors	15	147,312		578,050	
Cash at bank and in hand		712,653		921,038	
		<u>863,306</u>		<u>1,502,429</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(296,163)		(949,217)	
Net current assets			567,143		553,212
Net assets excluding pension liability			<u>31,353,776</u>		<u>32,022,392</u>
Defined benefit pension scheme liability	20		(1,844,000)		(2,088,000)
Net assets			<u>29,509,776</u>		<u>29,934,392</u>
Funds of the Academy:					
Restricted funds	18				
- Fixed asset funds			30,832,633		31,605,345
- Restricted income funds			315,072		247,063
- Pension reserve			(1,844,000)		(2,088,000)
Total restricted funds			<u>29,303,705</u>		<u>29,764,408</u>
Unrestricted income funds	18		206,071		169,984
Total funds			<u>29,509,776</u>		<u>29,934,392</u>

The accounts on pages 24 to 47 were approved by the Trustees and authorised for issue on 05 December 2018 and are signed on their behalf by:



Ms R Robinson
Trustee

Company Number 07696921

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21		(369,185)		201,658
Cash flows from investing activities					
Dividends, interest and rents from investments		498		5,209	
Capital grants from DfE Group		323,615		835,053	
Capital funding received from sponsors and others		25,000		61,919	
Purchase of tangible fixed assets		(193,313)		(786,842)	
Proceeds from sale of tangible fixed assets		5,000		200	
Net cash provided by investing activities			160,800		115,539
Net (decrease)/increase in cash and cash equivalents in the reporting period			(208,385)		317,197
Cash and cash equivalents at beginning of the year			921,038		603,841
Cash and cash equivalents at end of the year			712,653		921,038

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Katharine Lady Berkeley's School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

Long leasehold property	2%
Leasehold improvements	4%
Computer equipment	25%
Fixtures and fittings	10-20%
Motor vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.6 Liabilities

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

1.7 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 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.

1.12 Pensions benefits

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

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

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

1.13 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.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 ESFA, Department for Education and School Fund accounts.

1.14 Agency arrangements

The academy trust acts as an agent in distributing certain monies to students, for example 16-19 Bursary funding from ESFA 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

3 Comparative year information

Year ended 31 August 2017	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Income and endowments from:				
Donations and capital grants	2,988	5,941	606,871	615,800
Charitable activities:				
- Funding for educational operations	323,859	6,986,471	-	7,310,330
Other trading activities	43,706	-	-	43,706
Investments	5,209	-	-	5,209
Total income and endowments	375,762	6,992,412	606,871	7,975,045
Expenditure on:				
Raising funds	19,357	-	-	19,357
Charitable activities:				
- Educational operations	296,028	7,075,426	852,563	8,224,017
Total expenditure	315,385	7,075,426	852,563	8,243,374
Net income/(expenditure)	60,377	(83,014)	(245,692)	(268,329)
Transfers between funds	-	(72,969)	72,969	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	622,000	-	622,000
Net movement in funds	60,377	466,017	(172,723)	353,671

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	33,514	33,514	544,952
Other donations	1,201	29,116	30,317	70,848
	1,201	62,630	63,831	615,800

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,714,422	6,714,422	6,572,315
Other DfE group grants	-	150,098	150,098	147,047
	-	6,864,520	6,864,520	6,719,362
Other government grants				
Local authority grants	-	74,646	74,646	42,782
Other funding				
School funds income	-	261,528	261,528	223,002
Catering services	304,020	-	304,020	297,327
Other incoming resources	33,063	2,054	35,117	27,857
	337,083	263,582	600,665	548,186
Total funding	337,083	7,202,748	7,539,831	7,310,330

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	32,732	-	32,732	33,119
Other income	5,709	-	5,709	10,587
	38,441	-	38,441	43,706

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	498	-	498	5,209

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Allocated support costs	-	19,682	-	19,682	19,357
Academy's educational operations					
- Direct costs	5,319,283	-	625,022	5,944,305	5,725,951
- Allocated support costs	875,964	1,098,674	532,592	2,507,230	2,498,066
	<u>6,195,247</u>	<u>1,118,356</u>	<u>1,157,614</u>	<u>8,471,217</u>	<u>8,243,374</u>

Net (income)/expenditure for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	10,945	10,420
- Other services	3,220	4,315
Operating lease rentals	20,514	21,036
Depreciation of tangible fixed assets	888,288	852,563
Gain on disposal of fixed assets	(4,817)	(200)
Net interest on defined benefit pension liability	53,000	52,000

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	35,336	5,908,969	5,944,305	5,725,951
Support costs				
Educational operations	286,118	2,221,112	2,507,230	2,498,066
	<u>321,454</u>	<u>8,130,081</u>	<u>8,451,535</u>	<u>8,224,017</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	844,899	928,457
Depreciation	883,471	852,563
Technology costs	7,843	-
Premises costs	215,203	221,119
Other support costs	508,406	446,072
Governance costs	47,408	49,855
	<u>2,507,230</u>	<u>2,498,066</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	4,720,767	4,595,503
Social security costs	467,444	451,600
Pension costs	979,700	948,422
Staff costs	6,167,911	5,995,525
Agency staff costs	22,520	28,114
Staff restructuring costs	4,816	17,921
Total staff expenditure	6,195,247	6,041,560

Staff restructuring costs comprise:

Redundancy payments	4,816	3,551
Severance payments	-	14,370
	4,816	17,921

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017: £14,370). The payment made during the year ended 31 August 2017 was an individual payment of £14,370.

Staff numbers

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

	2018 Number	2017 Number
Teachers	106	105
Administration and support	103	100
Management	6	6
	215	211

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
In the band £60,001 - £70,000	3	2
In the band 70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy was £653,409 (2017: £644,293).

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

Mr A Harris, Headteacher

- Remuneration £100,000 - £105,000 (2017: £100,000-£105,000)
- Employer's pension contributions £15,000 - £20,000 (2017: £15,000-£20,000)

Ms N de Silva, Staff Trustee (resigned 26 March 2018)

- Remuneration £25,000 - £30,000 (2017: £40,000-£45,000)
- Employer's pension contributions £0 - £5,000 (2017: £5,000-£10,000)

Mr A Farwell, Staff Trustee (resigned 13 March 2018)

- Remuneration £30,000 - £35,000 (2017: £45,000-£50,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £10,000-£15,000)

Mr J Blake, (appointed 16 May 2018)

- Remuneration £10,000 - £15,000 (2017: N/A)
- Employer's pension contributions £0 - £5,000 (2017: N/A)

Mr R Shaw, (appointed 16 May 2018)

- Remuneration £15,000 - £20,000 (2017: N/A)
- Employer's pension contributions £0 - £5,000 (2017: N/A)

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

12 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 31 August 2018 was £208 (2017: £957). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Long leasehold property	Leasehold improvements	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2017	32,201,655	3,173,013	601,331	432,884	6,083	36,414,966
Additions	-	107,216	65,041	32,217	1,450	205,924
Disposals	-	-	(278,232)	(93,990)	(1,000)	(373,222)
At 31 August 2018	32,201,655	3,280,229	388,140	371,111	6,533	36,247,668
Depreciation						
At 1 September 2017	3,917,868	270,308	471,973	280,254	5,383	4,945,786
On disposals	-	-	(278,232)	(93,990)	(817)	(373,039)
Charge for the year	644,033	131,427	69,039	43,448	341	888,288
At 31 August 2018	4,561,901	401,735	262,780	229,712	4,907	5,461,035
Net book value						
At 31 August 2018	27,639,754	2,878,494	125,360	141,399	1,626	30,786,633
At 31 August 2017	28,283,787	2,902,705	129,358	152,630	700	31,469,180

The Academy Trust leases 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 Trust's 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 costs for recognition purposes.

14 Stocks

	2018 £	2017 £
Catering stock	3,341	3,341

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

15 Debtors	2018	2017
	£	£
Other debtors	11,354	166,936
Prepayments and accrued income	135,958	411,114
	<u>147,312</u>	<u>578,050</u>
16 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	29,055	530,472
Other taxation and social security	122,117	111,892
Other creditors	29,039	28,288
Accruals and deferred income	115,952	278,565
	<u>296,163</u>	<u>949,217</u>
17 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>67,481</u>	<u>110,553</u>
Deferred income at 1 September 2017	110,553	83,734
Released from previous years	(110,553)	(83,734)
Resources deferred in the year	<u>67,481</u>	<u>110,553</u>
Deferred income at 31 August 2018	<u><u>67,481</u></u>	<u><u>110,553</u></u>

Income received during the year specific to funding for future periods has been deferred accordingly. At the balance sheet date the academy was holding funds received in advance for educational trips and catering (2017: rates relief, capital expenditure, educational trips and catering).

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	75,649	6,714,422	(6,593,577)	(52,245)	144,249
Other DfE / ESFA grants	60,021	150,098	(146,143)	-	63,976
Other government grants	38,420	74,646	(66,551)	-	46,515
School fund account	52,475	261,528	(272,659)	-	41,344
Other donations	20,498	6,170	(7,680)	-	18,988
Pension reserve	(2,088,000)	-	(160,000)	404,000	(1,844,000)
	<u>(1,840,937)</u>	<u>7,206,864</u>	<u>(7,246,610)</u>	<u>351,755</u>	<u>(1,528,928)</u>
Restricted fixed asset funds					
Transfer on conversion	28,324,471	-	(663,112)	-	27,661,359
DfE group capital grants	2,712,043	33,514	(117,676)	(41,737)	2,586,144
Capital expenditure from GAG	188,523	-	(79,766)	97,304	206,061
Other donations	380,308	25,000	(22,917)	(3,322)	379,069
	<u>31,605,345</u>	<u>58,514</u>	<u>(883,471)</u>	<u>52,245</u>	<u>30,832,633</u>
Total restricted funds	<u>29,764,408</u>	<u>7,265,378</u>	<u>(8,130,081)</u>	<u>404,000</u>	<u>29,303,705</u>
Unrestricted funds					
General funds	<u>169,984</u>	<u>377,223</u>	<u>(341,136)</u>	<u>-</u>	<u>206,071</u>
Total funds	<u>29,934,392</u>	<u>7,642,601</u>	<u>(8,471,217)</u>	<u>404,000</u>	<u>29,509,776</u>

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

The Restricted General Fund included 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 and reimbursements within restricted funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2018.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	47,694	6,572,315	(6,524,565)	(19,795)	75,649
Other DfE / ESFA grants	110,043	147,047	(143,895)	(53,174)	60,021
Other government grants	36,937	42,782	(41,299)	-	38,420
School fund account	49,575	223,002	(220,102)	-	52,475
Other donations	19,797	7,266	(6,565)	-	20,498
Pension reserve	(2,571,000)	-	(139,000)	622,000	(2,088,000)
	<u>(2,306,954)</u>	<u>6,992,412</u>	<u>(7,075,426)</u>	<u>549,031</u>	<u>(1,840,937)</u>
Restricted fixed asset funds					
Transfer on conversion	28,987,582	-	(663,111)	-	28,324,471
DfE group capital grants	2,242,523	544,952	(75,432)	-	2,712,043
Capital expenditure from GAG	213,665	-	(98,111)	72,969	188,523
Other donations	334,298	61,919	(15,909)	-	380,308
	<u>31,778,068</u>	<u>606,871</u>	<u>(852,563)</u>	<u>72,969</u>	<u>31,605,345</u>
Total restricted funds	<u>29,471,114</u>	<u>7,599,283</u>	<u>(7,927,989)</u>	<u>622,000</u>	<u>29,764,408</u>
Unrestricted funds					
General funds	<u>109,607</u>	<u>375,762</u>	<u>(315,385)</u>	<u>-</u>	<u>169,984</u>
Total funds	<u>29,580,721</u>	<u>7,975,045</u>	<u>(8,243,374)</u>	<u>622,000</u>	<u>29,934,392</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	47,694	13,286,737	(13,118,142)	(72,040)	144,249
Other DfE / ESFA grants	110,043	297,145	(290,038)	(53,174)	63,976
Other government grants	36,937	117,428	(107,850)	-	46,515
School fund account	49,575	484,530	(492,761)	-	41,344
Other donations	19,797	13,436	(14,245)	-	18,988
Pension reserve	(2,571,000)	-	(299,000)	1,026,000	(1,844,000)
	<u>(2,306,954)</u>	<u>14,199,276</u>	<u>(14,322,036)</u>	<u>900,786</u>	<u>(1,528,928)</u>
Restricted fixed asset funds					
Transfer on conversion	28,987,582	-	(1,326,223)	-	27,661,359
DfE group capital grants	2,242,523	578,466	(193,108)	(41,737)	2,586,144
Capital expenditure from GAG	213,665	-	(177,877)	170,273	206,061
Other donations	334,298	86,919	(38,826)	(3,322)	379,069
	<u>31,778,068</u>	<u>665,385</u>	<u>(1,736,034)</u>	<u>125,214</u>	<u>30,832,633</u>
Total restricted funds	<u>29,471,114</u>	<u>14,864,661</u>	<u>(16,058,070)</u>	<u>1,026,000</u>	<u>29,303,705</u>
Unrestricted funds					
General funds	<u>109,607</u>	<u>752,985</u>	<u>(656,521)</u>	<u>-</u>	<u>206,071</u>
Total funds	<u>29,580,721</u>	<u>15,617,646</u>	<u>(16,714,591)</u>	<u>1,026,000</u>	<u>29,509,776</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	30,786,633	30,786,633
Current assets	214,838	589,857	58,611	863,306
Creditors falling due within one year	(8,767)	(274,785)	(12,611)	(296,163)
Defined benefit pension liability	-	(1,844,000)	-	(1,844,000)
Total net assets	<u>206,071</u>	<u>(1,528,928)</u>	<u>30,832,633</u>	<u>29,509,776</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	31,469,180	31,469,180
Current assets	175,757	571,829	754,843	1,502,429
Creditors falling due within one year	(5,773)	(324,766)	(618,678)	(949,217)
Defined benefit pension liability	-	(2,088,000)	-	(2,088,000)
Total net assets	169,984	(1,840,937)	31,605,345	29,934,392

20 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £29,039 (2017: £28,288) were payable to the LGPS scheme at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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

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.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £583,675 (2017: £569,894).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £351,721 (2017 - £348,265), of which employer's contributions totalled £294,002 (2017 - £291,536) and employees' contributions totalled £57,719 (2017 - £56,729). The agreed contribution rates for future years are 30.9% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2018 £	2017 £
Employer's contributions	296,000	292,000
Employees' contributions	58,000	57,000
Total contributions	<u>354,000</u>	<u>349,000</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.4	2.4
Commutation of pension lump sums pre-April 2008	35.0	35.0
Commutation of pension lump sums post-April 2008	68.0	68.0

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

	2018 Years	2017 Years
Retiring today		
- Males	22.4	22.4
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.4	26.4

A 1 year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 3-5% (2017 - 3-5%).

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

	2018	2017
Discount rate + 0.1%	(106,200)	(101,000)
Discount rate -0.1%	106,200	101,000
Mortality assumption + 1 year	206,600	199,520
Mortality assumption - 1 year	(206,600)	(199,520)
CPI rate + 0.1%	91,400	85,000
CPI rate - 0.1%	(91,400)	(85,000)

The Academy's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	2,292,000	2,088,000
Debt instruments	697,000	551,000
Cash and other liquid assets	66,000	58,000
Property	266,000	203,000
Total market value of assets	3,321,000	2,900,000

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

The actual return on scheme assets was £166,000 (2017: £472,000).

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	398,000	379,000
Past service cost	5,000	-
Interest income	(76,000)	(46,000)
Interest cost	129,000	98,000
Total operating charge	456,000	431,000

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	4,988,000	4,765,000
Current service cost	398,000	379,000
Interest cost	129,000	98,000
Employee contributions	58,000	57,000
Actuarial gain	(314,000)	(196,000)
Benefits paid	(99,000)	(115,000)
Past service cost	5,000	-
At 31 August 2018	5,165,000	4,988,000

Changes in the fair value of the Academy's share of scheme assets

	2018 £	2017 £
At 1 September 2017	2,900,000	2,194,000
Interest income	76,000	46,000
Actuarial gain	90,000	426,000
Employer contributions	296,000	292,000
Employee contributions	58,000	57,000
Benefits paid	(99,000)	(115,000)
At 31 August 2018	3,321,000	2,900,000

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(828,616)	(268,329)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(58,514)	(606,871)
Investment income receivable	(498)	(5,209)
Defined benefit pension costs less contributions payable	107,000	87,000
Defined benefit pension net finance cost	53,000	52,000
Depreciation of tangible fixed assets	888,288	852,563
Profit on disposal of fixed assets	(4,817)	(200)
(Increase) in stocks	-	(128)
Decrease/(increase) in debtors	140,637	(90,436)
(Decrease)/increase in creditors	(665,665)	181,268
Net cash (used in)/provided by operating activities	(369,185)	201,658

22 Commitments under operating leases

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	23,398	18,454
Amounts due in two and five years	42,298	93,800
	<u>65,696</u>	<u>112,254</u>

23 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	-	84,733

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

24 Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

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, Katharine Lady Berkeley's School received £13,732 from Sport Wotton Limited, a joint venture in which the Academy has an interest (2017: £14,119).

In entering into these transactions, the Academy has complied with the requirements of the Academies Financial Handbook 2017.

25 Members' liability

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