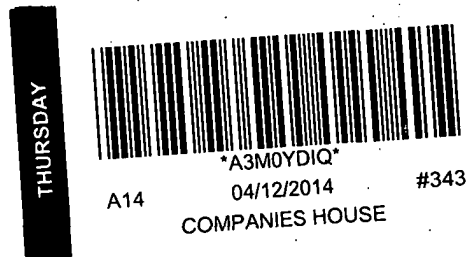


**BISHOP VESEY'S GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014**



Company Registration Number:
7986921 (England and Wales)

BISHOP VESEY'S GRAMMAR SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
31ST AUGUST 2014

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BISHOP VESEY'S GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31ST AUGUST 2014

Trustees & Directors

Dr John Craggs (Chairman) 01/04/12 - *
Mr P Dines 01/04/12 - *
Mr P Davies 01/04/12 - #
Mr D Robson (Headteacher) 24/09/12 - *
Mr J R Whiting (Staff Trustee) 24/09/12 -
Mr B J Dixon 24/09/12 - 22/11/13*
Mr G M Homer 24/09/12 - 04/07/13 *
Mr S P Wade 24/09/12 - *
Mrs C Robinson 24/09/12 - *
Mr M Lea (Staff Trustee) 24/09/12 - *
Miss H J M Storey (Staff Trustee) 24/09/12 -
Mrs L J Overton (Staff Trustee) 24/09/12 -
Mr D J Carter 03/10/12 - * #
Mr P Singh 11/03/12 -
Mrs F C Nicholl 13/05/13 -
Mr D J Wheeldon 13/05/13 -
Mr B Ahmed 08/07/13 -
Mr G Pallister 25/10/13 -
Mrs N Lloyd 23/09/13 -
Mrs J Robson 07/07/14 -
Mr A Moore 07/07/14 -
Mrs J Davis 07/07/14 -
Mr T Lloyd 07/07/14 - 17/08/14

* Members of the Finance and Estates Committee

Members of the Audit Committee

All trustees are members of the limited company

Company Secretary

Mr K Osbourne

Senior Management Team

Mr D Robson (Headteacher)
Miss R Hearn (Deputy Headteacher)
Mr R Bowen (Deputy Headteacher)
Mr G Swindells (Finance Director & School Business Manager)
Mrs B Gilbert (Assistant Headteacher)
Mr S Baugh (Assistant Headteacher)
Mr D Goodwin (Assistant Headteacher)
Miss K Steadman (Assistant Headteacher)
Mr M Lea (Assistant Headteacher)

Principal & Registered Office 46 High Street
Sutton Coldfield
West Midlands
B72 1UL

Company Registration Number 7986921 (England and Wales)

Independent Auditor

Harwoods Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
West Midlands
B72 1TX

Bankers

Lloyds TSB
12 Newhall Street,
Edmund House,
Birmingham
B3 3EW

Insurance Brokers

Gomm Insurance
8-10 Coles Lane
Sutton Coldfield
West Midlands
B72 1NE

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014

The trustees present their annual report together with the audited financial statements of the academy trust for the period 1st September 2013 to 31st August 2014. The annual report serves the purposes of both a trustees report and a directors report including a strategic report under company law.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Bishop Vesey's Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bishop Vesey's Grammar School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to sub committees that are formally constituted with terms of reference; namely

Finance and Estates Committee (incl Audit & Investments Committee)
HR Committee
Learning and Teaching Committee
Membership & Appointments Committee
Admissions Committee

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 Trust purchases indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

Principal Activities

Bishop Vesey's Grammar School provides selective education for boys between the ages of 11 and 15 and selective education for mixed students between the ages of 16 and 19. Students are drawn from the wider Birmingham and Midlands areas in accordance with the published admissions criteria and policy for the school.

The Academy Trust's principal activity (objects) is specifically restricted to the following:

- To advance for public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- Promoting facilities for recreation or other leisure time occupation in the interests of social welfare and improving the condition of life for the inhabitants of Sutton Coldfield.

Method of Recruitment and Appointment or Election of Trustees

The Academy trust shall have the following Trustees:

- The Principal (Headteacher - ex-officio)
- 9 Vesey Community Trustees - Appointed by the Vesey Trustees
- Up to 3 Staff Trustees
- Up to 3 Parent Trustees
- Up to 2 Appointed Trustees

New Trustees are recruited through the Membership and Appointments Committee who manage appointments to the vacancies that are available in the Governing Body and appoint Trustees to committees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Many of the current Trustees of Bishop Vesey's Grammar School have considerable experience.

The Governing Body have a Governors Induction Pack and Governor mentoring is available. Training and development courses available from Birmingham City Council and other training providers and these are circulated to all Trustees. The school also purchases the School and Governor Support Package from Birmingham City Council which offers advice to Trustees on a range of issues.

Trustees experiences and skills and abilities are taken into account when they are appointed to Sub Committees.

Trustees are kept up to date with their legislative obligations and good practice through the above support services and from support and advice from the Clerk to Governors/Company Secretary.

Organisational Structure

The Governing Body is responsible for all major decisions about the Academy.

The Governing Body is responsible for setting all policies covering Curriculum, Human Resource, Health & Safety and Financial aspects of the Academy and monitors

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

accordingly against these policies. The Governing Body receives regular reports from the Senior Leadership Team including budget monitoring reports and other data which includes teaching and learning and achievement and standards.

The Responsible Officer role is undertaken by an independent auditing company DRB Management Limited. DRB Management Limited report directly to the Trustees who have responsibility for the Statutory Accounts. The levels of authorisation for budget spend are detailed in the Terms of Reference for the Finance and Estates Committee agreed by the Governing Body.

The day to day management of the Academy is delegated by the Governing Body to the Headteacher who is supported by the Senior Leadership Team which comprises; Two Deputy Headteachers, Four Assistant Headteachers, a Senior Teacher and the Finance Director & School Business Manager.

The initial School Development Plan is drawn up by the Headteacher working with the Senior Leadership Team. The draft plan is reviewed and approved by the Full Governing Body. The Governing Body reviews the progress of the plan as part of their regular work.

As a School, a high percentage of the Academies expenditure relates to staffing. The staffing structure is determined by the Governing Body working in conjunction with the Headteacher to ensure that it meets the school's curriculum needs.

The School Development Plan and the staffing structure then inform the Academy budget. The Headteacher is the Accounting Officer and is responsible for the day-to-day management of the Academy.

Connected Organisations, including Related Party Relationships

There are no sponsors of the Academy. There are no related parties which either control or significantly influence the decisions and operations of Bishop Vesey's Grammar School with the exception of:

The Academy Trustees also maintain the Charity "The Governors of Bishop Vesey's Grammar School" - Registered Charity 517907, which has stewardship of the site and the school buildings from The Official Custodian for Charities. "The Vesey Foundation" element of this charity provides an umbrella of support for the various activities of Bishop Vesey's Grammar School and the organisations associated with the school whilst co-ordinating and promoting these activities to the benefit of the school, and with the aim to secure the long-term survival and development of the school as a place of excellent education and distinctive ethos.

The Academy works with many school networks within the Birmingham Area and also works with national networks such as the Grammar Schools Headteachers Association and Leading Edge Programmes to further the principal activities of the Academy.

The School supports local primary schools with Language, Science and Sports Programmes designed to further academic excellence in the primary school sector and create opportunities for leadership in the Bishop Vesey's Grammar School student body.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

Objectives and Activities

Objects and Aims

The principal objects and activities of the charitable company is to advance for public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. Promoting facilities for recreation or other leisure time occupation in the interests of social welfare and improving the condition of life for the inhabitants of Sutton Coldfield.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- The Characteristics of the Academy are set that the school has a curriculum that satisfies the requirements of section 78 of the Education Act 2002 (balanced and broadly based curriculum including English, Mathematics and Science);
- The School shall make provision for the teaching of religious education and for a daily act of collective worship;
- The School provides education for pupils who are wholly or mainly drawn from the area in which the school is situated;
- The Academy is a selective school within the meaning of section 6(4) of the Academies Act 2010, subject to the provisions set out in the selective admission arrangements;
- The School will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- There are assessments of pupils performance as they apply to maintained schools and the opportunity to study for external qualifications in accordance with the requirements of the Secretary of State,;
- There is an emphasis on the needs of the individual pupils including pupils with special educational needs;
- There is no charge in respect of admission to the school.
- The planned capacity of the school is 1020 in the age range 11-18, including a sixth form of 400 places.

School Vision

Our school vision is to offer inspiration and excellence through offering what we call the Vesey experience:

- Inspirational teaching and outstanding learning
- Academic excellence, a spirit of enquiry and curiosity
- Enrichment opportunities building leadership, independence and resilience
- A warm outward-looking community, celebrating diversity and supporting others.

Beliefs, Values and Culture

Bishop Vesey's Grammar School is a very special place, providing an outstanding, academically challenging and well-rounded education for able students from Birmingham and across the Midlands since the 16th Century. Our academic profile is comfortably in the top forty schools nationally: 85% A*-B (A level, 2014), 66% A*-A (GCSE, 2014). Just under three quarters of our students leave at 18 to study at the

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

prestigious Russell Group universities. At the same time, our extra-curricular provision is first-rate, wide-ranging and of national renown.

The welcoming atmosphere within the school, which reaches out to all those who visit or join the school, emanates from a sense of purpose and togetherness. Staff and students cherish our history. We know that future success depends on hard work, resilience and a reflective outlook. Bishop Vesey's is a thinking school. Like Sir Chris Hoy, Team GB's most successful Olympian, "We point the mirror at ourselves and continuously ask 'how can we get better?'"

Judged "Outstanding" by OFSTED in June 2011, Bishop Vesey's Grammar School represents the rich and diverse cultural, linguistic and faith heritages of Birmingham and beyond, with community cohesion at the heart of the life of the school.

Our safe, secure and happy environment enables students to engage in school life with energy and enthusiasm, adopting leadership roles from year 7 to the Upper 6th which directly influence teaching and learning and wider school development. Students feel encouraged, empowered and trusted to bring about change.

Those who are associated with school become deeply affiliated to it and look back on their time at the school with fondness. Importantly, we equip students with the skills to thrive in the 21st Century.

Our students have the benefit of having one of the most attractive and green school sites in the Midlands. However, we strongly resist any temptation to be inward-looking. Students are encouraged to see that true happiness and fulfilment in life come from service to others. We are a school with an internationalist outlook which takes care for our neighbour very seriously. Charitable giving is central to the life of our community.

We know that our students have the capacity to be the future leaders, who will improve and re-define the world in which we live.

Objectives, strategies and activities

The School Development Plan for 2013 - 2016 set out the following objectives for the year includes the areas listed below to support the school vision of 'Inspiration and Excellence'

- Developing the school culture through a focus on student behaviour and developing responsibility towards e-safety.
- Improving achievement by improving student progress at AS and A2, improving student progress at GCSE, improving standards of reading, writing, speaking and listening across the school and specifically improving student attainment at English GCSE.
- Developing the quality of teaching and learning in the school, developing the quality assurance process across the school, devise an whole-school e-learning strategy and meeting the challenges of government changes to the curriculum and assessment.
- Developing school leadership capacity through the development of staff leadership across the school and increasing the number of students undertaking leadership roles across the school.
- Developing the estates and infrastructure by providing a safe environment with regard to the school estate, ensuring the environment is conducive to

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

effective learning and improve efficiency with regard to the use of the estate and facilities.

- A marketing strategy created to ensure an increase in the quantity and quality of applications for selective admission into the school and to develop stakeholder links specifically with regard to the alumni community.
- Workforce development to be assured by the creation of a Governors HR Committee, an effectiveness review of the school workforce, the implementation of a fair and robust performance management process together with the continued development and support of staff to enable the school to deliver its core vision
- Fundraising strategies to be implemented to maximise annual donations to the Vesey Foundation, the development of the schools stakeholder database, a review of the legacy giving programme and an evaluation of the Tennis and Netball Courts project.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Strategic Report

Achievement and Performance

Bishop Vesey's Grammar School converted to an academy as an OFSTED graded 'good' school with many outstanding features in April 2012. Our most recent full inspection was in April 2010. We subsequently had an OFSTED subject inspection in Citizenship in June 2011 where we were graded as outstanding in every category.

Student learning and progress is outstanding overall as the large majority make at least good and often outstanding progress. An analysis of key results and performance can be seen in the table below:

Year	% with GCSE 5*-C (including English and Maths)	% of grades at A* - A	KS2-KS4 value added	% of grades at A* - B at A level	ALPS (6 th Form value added) grade for Red T&L	ALPS (6 th Form value added) grade for Blue T&L
2011	99	66	1016	75	3 (Excellent)	5 (Good)
2012	99	67	1017.3	81	3 (Excellent)	3 (Excellent)
2013	100	67	1019.7	82	4 (Very good)	2 (Outstanding)
2014	97	66	To be published	85	3 (Excellent)	2 (Outstanding)

As a school we are relentlessly engaged in continuous improvement to improve our outcomes for all our young people. There is a rigorous whole-school approach to self-evaluation and challenging targets are set for all students.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

There is a regular and rigorous system for assessment and academic tracking and intervention across the school.

Performance is analysed by groups (ethnicity, gender, FSM Ever 6, SEND, LAC) and action undertaken to tackle any under-performance. All staff are accountable for performance through a rigorous Performance Management process, line management and departmental academic reviews with the Senior Leadership Team as well as with, on a structured basis, the Governing Body.

There is a strong whole-school focus and Continuing Professional Development to ensure staff are consistently delivering outstanding teaching and learning in order to raise achievement.

Key Performance Indicators

The School uses a range of data sources both qualitative and quantitative to assess and review school performance the main summary performance can be seen in the table above but a range of performance indicators are used to support conclusions with regard to effectiveness and impact these include:

- Exam Results for individual students and summative results for subject performance
- Internal assessment and tracking data
- Raise Online for Key Stage 3 & Key Stage 4 performance
- SSAT KS4 Educational Outcomes reports
- Alps for Key Stage 5 performance
- Lesson Observations
- Performance Management Reviews
- SIMS Behaviour and Attendance Reports
- Census Data
- School Self-Assessment
- Governance Reviews
- Regular Financial Audit and Review
- School Council Reports
- Parental and Student feedback
- Parent and Student Questionnaires
- Parental Feedback from Ofsted Parent View
- Staff Questionnaires

Quantitative analysis is benchmarked nationally against all schools and peer schools and qualitative information is used to support the determination of quality of experience.

There have been significant developments in the core infrastructure of the school in the period ending 31st August 2014.

These include:

- Improvements in the internal fire protection and fire safety installations;
- Refurbishment of two teaching rooms;
- Complete Refurbishment of the Schools Dining Facilities (EFA ACMF Grant 2014);
- Construction of Tennis and Netball Courts;

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

- Refurbishment of historic assembly hall;
- Refurbishment of main assembly hall;
- New rowing boat;
- Additions to the ICT Infrastructure and technology rooms;

Student Numbers

The School is consistently oversubscribed in Year 7 (11 year olds entry into the school) and Year 12 (post 16 entry into the school). The School has waiting lists for years 7, 8 & 9 and the school has dispensation to allow additional entry for 4 students into year 10 subject to a selective admission test.

Going Concern

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

Financial Review

The main sources of income for the Academy are grants from the Department for Education (DfE) Education Funding Agency (EFA) which are recurrent grants based on the number of students in the School. The use of these grants is restricted to use for particular purposes. The grants received from the EFA during the period ended 31st August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the EFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined by the Academy's accounting policies and financial procedures manual.

During the period ended 31st August 2014, total expenditure of £5,599,166 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed assets funds) was £54,209. These figures exclude the deficit on the Local Government Pension Scheme (See note 22 to the accounts).

At 31st August 2014 the net book value of fixed assets was £216,155 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

Reserves Policy

The trustees review the reserve levels of the Academy annually. This review takes into account the total amount of uncommitted funds available together the current

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

and future forecast levels of income and expenditure. The current Reserves Policy requires a minimum of £100,000 to be held as contingency in reserves:

The Academy has an overall deficit on reserves at 31st August 2014 of £36,381

This comprises

- Restricted Funds Deficit of £1,444,613
- Unrestricted Funds of £1,192,077
- Restricted Fixed Asset Funds of £216,155

Restricted Funds comprises:

- £(568,613) general funds to support the academy's budget 2014/15.
- £(858,000) is the deficit on the defined pension Scheme.

Investment Policy

The Trustees have an investment policy which sets out investment parameters given that the risk appetite for the school is low. There are currently no material investments held by the Academy.

Financial and Risk Management Objectives and Policies

The Trustees have prepared a Risk Register and have a risk management strategy. These include financial risks to the school. The register and strategy are reviewed on a regular basis by the Schools Executive Leadership Team in light of new information these are to be reviewed on an annual basis by the Governing Body.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the school's facilities and site, with regard to Teaching and Learning and also with regard to the schools finances. There is a system and reporting mechanism to assess risk that the school faces and to ensure that these are appropriately mitigated against where risk prevails by implementation of controls and procedures.

Principal Risks and Uncertainties

The principal financial risk for the Academy is the level of funding from central government. Funding is dependent on student numbers, it is anticipated that these numbers are not likely to give concern as the school has been historically oversubscribed, however falling student numbers as a result of the reputation of the school is considered. Trustees do not currently consider this an area of high risk.

The Academy's future funding is very dependent on Government Policy with regard to Education. The impact of formulaic changes on the schools budget is a considerable and real risk. This is managed through prudent budget management and medium term forecasting to give early indication of potential financial difficulties. Trustees would consider this a high area of risk.

The Local Government Pension Scheme, is a defined benefit scheme, the Academy currently has a deficit on this scheme. Lump Sum repayments of the deficit together

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

with a calculation of the on-going contributions required are considered to be manageable within the Academy's budget.

Plans for future periods

Trustees recognise the importance of both the learning environment and the opportunities for extra-curricular activity on the levels of student achievement and continue to develop and improve the teaching, learning and whole school environment to ensure 'inspiration and excellence'.

The Trustees and Senior Leadership Team are committed to ensure that the whole school infrastructure including the schools staffing structure is developed continuously to support continuing high levels of achievement and attainment for all the students of the school.

Managing the continued impact of funding reform on the Academy's budget will be a key focus for the school whilst at the same time maintaining the momentum of school improvement.

The Academies Self Evaluation has identified the focus for the School Development Plan for 2014/15 areas for development include:

School Culture

- Ensure impeccable standards of student behaviour across the school both in and out of the classroom;
-

Building Learning Habits

- Implement the Building Learning Habits programme to ensure that students are more independent, resilient, responsible for their learning, aware of their learning habits and committed to learning.

Achievement: Narrowing the Gaps

- Clear targets set to narrow achievement gaps for students.
-

Long Term Sustainability - Expansion of the School

- To extend the offer of the school to more students and give increased opportunities for social mobility;
- Review the curriculum to ensure the full breadth of curriculum offered closely matches student's needs for the 21st Century;

Funds held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the Trustees are aware:

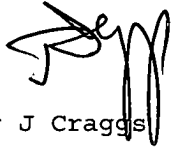
- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

Trustees report, incorporating a strategic report, approved by order of the board of trustees, as the company directors on 1st December 2014 and signed on the boards behalf by:

A handwritten signature in black ink, appearing to be 'Dr J Craggs', written over the printed name.

Dr J Craggs

Chair of Trustees

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2014

Scope of Responsibility

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

The 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 Bishop Vesey's Grammar 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 Board of Trustees as a Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Dr John Craggs (Chairman)	5	6
Mr P Dines	5	6
Mr P Davies	5	6
Mr D Robson (Headteacher)	6	6
Mr J R Whiting (Staff Trustee)	6	6
Mr B J Dixon 24/09/12 - 22/11/13*	1	1
Mr G M Homer 24/09/12 - 04/07/13 *	5	5
Mr S P Wade *	5	6
Mrs C Robinson	4	6
Mr M Lea (Staff Trustee)	5	6
Miss H J M Storey (Staff Trustee)	5	6
Mrs L J Overton (Staff Trustee)	5	6
Mr D J Carter	5	6
Mr P Singh	6	6
Mrs F C Nicholl	5	6
Mr D J Wheeldon	5	6
Mr B Ahmed	6	6
Mr G Pallister 25/10/13 -	5	5
Mrs N Lloyd 23/09/13 -	4	5
Mrs J Robson 07/07/14 -	0	0
Mr A Moore 07/07/14 -	0	0
Mrs J Davis 07/07/14 -	0	0
Mr T Lloyd 07/07/14 - 17/08/14	0	0

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

There have been no changes in the composition of the Board of Trustees other than noted above and no particular challenges have arisen for the board

Governance reviews:

An External Review of Governance took place on 28th November 2013. This was undertaken by Walsall Governor Support Unit. The report was positive and did not highlight any significant improvements and subsequently an internal self-evaluation took place on 1st February 2014 to determine an action plan for further development of the governance of the School. The Trustees will continue with a cycle of internal and external evaluation.

As central government public sector bodies academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible. This assurance must be communicated in a governance statement. The text of this statement will need to be amended to reflect the circumstances of the individual academy trust, particularly where it is a new academy trust.

The Finance and Estates Committee is a sub-committee of the main board of trustees. Its purpose is to ensure effective financial management and probity within the school in order to protect and maximise the impact of the resources available to the School. The Finance and Estates Committee met three times during the year at the attendance at meetings was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Dr John Craggs (Chairman)	1	3
Mr P Dines	3	3
Mr D Robson (Headteacher)	3	3
Mr B J Dixon 24/09/12 - 22/11/13*	1	1
Mr G M Homer 24/09/12 - 04/07/13 *	3	3
Mr S P Wade *	1	1
Mrs C Robinson	2	3
Mr D J Carter	2	3
Mr G Pallister 25/10/13 -	1	1
Mrs N Lloyd 23/09/13 -	2	3

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to ensure effective financial management and probity within the school in order to protect and maximise the impact of the resources available to the School. There were no meetings in the year ended 31st August 2014.

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 school 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

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

Bishop Vesey's Grammar School for the period 1st September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust'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 Estates 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,
- appropriate delegation of authority and segregation of duties;
- identification and management of risks through formal reported risk assessments
- The board of trustees has considered the need for a specific internal audit function and has decided to appoint Harwoods Chartered Accountants
- to appoint DRB Management Limited to act in the Responsible Officer role and provide independent reports to the Finance and Estates Committee together with advice and guidance in maintaining financial compliance appropriate to a publicly funded organisation.

The Responsible Officers role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, DRB Management reports to the board of trustees, through the Finance and Estates Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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 DRB Management in the Responsible Officer Role;

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

- the work of the external auditor;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.
- Regular risk reporting with regard to financial management risks

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 Estates Committee and a plan to ensure continuous improvement of the system is in place.

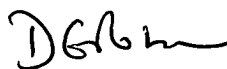
Academy trusts should confirm whether the internal auditor/RO/reviewer has delivered their schedule of work as planned, provide details of any material control issues arising as a result of the internal auditor's/RO's/reviewer's work and, if relevant, describe what remedial action is being taken to rectify the issues.

Approved by order of the members of the board of trustees on 1st December 2014 and signed on its behalf by:



Dr J Craggs

Chair of Trustees



Mr D Robson

Accounting Officer and Headteacher

BISHOP VESEY'S GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31ST AUGUST 2014

As accounting officer of Bishop Vesey's Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr D Robson
Accounting officer
1st December 2014

BISHOP VESEY'S GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31ST AUGUST 2014

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

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

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 1st December 2014 and signed on its behalf by

Dr John Craggs Chair of Trustees



BISHOP VESEY'S GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISHOP VESEY'S GRAMMAR SCHOOL

FOR THE YEAR ENDED 31ST AUGUST 2014

We have audited the financial statements of Bishop Vesey's Grammar School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report³ to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

BISHOP VESEY'S GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31ST AUGUST 2014 (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

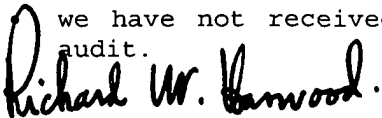
In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

we have not received all the information and explanations we require for our audit.



Richard F W Harwood FCA
Senior Statutory Auditor
For and on behalf of
Harwoods
Chartered Accountants
Statutory Auditor

1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

1st December 2014

BISHOP VESEY'S GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP VESEY'S GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31ST AUGUST 2014

In accordance with the terms of our engagement letter dated 11 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Vesey's Grammar School during the period from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them. This report is made solely to Bishop Vesey's Grammar School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishop Vesey's Grammar School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bishop Vesey's Grammar School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bishop Vesey's Grammar School accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bishop Vesey's Grammar School's funding agreement with the Secretary of State for Education dated 26 March 2012 and the Academies Financial Handbook, extant from 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

BISHOP VESEY'S GRAMMAR SCHOOL

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO BISHOP VESEY'S GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY**

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

- A review of the work undertaken and conclusions reached by DRB Management.
- A review of the minutes of the Audit Committee and of the Finance and Estates Committee to establish action taken on the reports of DRB Management and to establish that appropriate action taken.
- A review of accounting controls and procedures.
- A review of transactions to ensure compliance with Academies Financial Handbook.
- Meetings with the Accounting Officer to confirm full knowledge of Academies Financial Handbook.

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 from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Harwoods

Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

1st December 2014

BISHOP VESEY'S GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2014

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	513,304	-	-	513,304	695,359
Transfer from local authority on conversion		-	-	-	-	2120,044
Activities for generating funds	3	32,221	-	-	32,221	57,685
Investment income	4	3,781	46,000	-	49,781	49,115
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	162,649	4,853,616	98,860	5,115,125	7,192,176
Total incoming resources		711,955	4,899,616	98,860	5,710,431	8,204,379
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	7	167,457	5,243,837	87,804	5,499,098	7,236,690
Governance costs	8	-	185,068	-	185,068	243,335
<i>Other resources expended:</i>						
Transfer from local authority on conversion		-	-	-	-	596,000
Total resources expended	6	167,457	5,428,905	87,804	5,684,166	8,076,025
Net incoming/(outgoing) resources before transfers		544,498	(529,289)	11,056	26,265	128,354
Gross transfers between funds	15	19,440	-	(19,440)	-	-
Net income/(expenditure) for the period		563,938	(529,289)	(8,384)	26,265	128,354
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(126,000)	-	(126,000)	(65,000)
Net movement in funds		563,398	(655,289)	(8,384)	(99,735)	63,354
Funds brought forward to 1 st September 2013.		628,139	(789,324)	224,539	63,354	-
Funds carried forward at 31 st August 2014		1,192,077	(1,444,613)	216,155	(36,381)	63,354

All of the Academy's activities derive from continuing operations during the above financial period.

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

BISHOP VESEY'S GRAMMAR SCHOOL

BALANCE SHEET

31ST AUGUST 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	12		216,155		224,539
Current assets					
Debtors	13	213,247		57,803	
Cash at bank and in hand		756,373		758,118	
		<u>969,620</u>		<u>815,921</u>	
Creditors: Amounts falling due within one year	14	<u>364,156</u>		<u>284,106</u>	
Net current assets			605,464		531,815
Total assets less current liabilities			<u>821,619</u>		<u>756,354</u>
Net assets excluding pension liability					
Pension scheme liability	22		(858,000)		(693,000)
Net(liabilities)/ assets including pension liability			<u>(36,381)</u>		<u>63,354</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	15		216,155		224,539
General fund	15		(586,613)		(96,324)
Pension reserve	15		(858,000)		(693,000)
Total restricted funds			<u>(1,228,458)</u>		<u>(564,785)</u>
Unrestricted funds	15		<u>1,192,077</u>		<u>628,139</u>
Total funds			<u>(36,381)</u>		<u>63,354</u>

The financial statements on pages 24 to 41 were approved by the trustees, and authorised for issue on 1st December 2014 and are signed on their behalf by:

Dr J Craggs
Chair of trustees

Company Limited by Guarantee
Registration Number 7986921



BISHOP VESEY'S GRAMMAR SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	17	(24,966)	887,061
Returns on investments and servicing of finance	18	3,781	1,115
Capital expenditure	19	19,440	(130,058)
(Decrease)/Increase in cash in the year	20	<u>(1,745)</u>	<u>758,118</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 st September 2013		758,118	-
Net Funds at 31 st August 2014		<u>756,373</u>	<u>758,118</u>

[All of the cash flows are derived from acquisitions in the current financial period.]

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

• Grants receivable

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

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

• Sponsorship income

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

• Donations

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

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

- **Other income**

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

- **Donated Services and Gifts in Kind**

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

Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Fixtures, fittings and equipment - 20% per year
ICT equipment - 33 $\frac{1}{3}$ % per year

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

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

Taxation

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

Pensions 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

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

2 Voluntary Income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Donations and miscellaneous				
Income	287,859	-	287,859	357,170
Peripatetic music	45,450	-	45,450	64,155
Educational visits	163,020	-	163,020	231,488
Examination fees	16,975	-	16,975	42,546
	<u>513,304</u>	<u>-</u>	<u>513,304</u>	<u>695,359</u>

3 Activities for Generating Funds

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Hire of facilities	<u>32,221</u>	<u>-</u>	<u>32,221</u>	<u>57,685</u>

4 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Pension fund net return on assets	-	46,000	46,000	48,000
Short term deposits	<u>3,781</u>	<u>-</u>	<u>3,781</u>	<u>1,115</u>
	<u>3,781</u>	<u>46,000</u>	<u>49,781</u>	<u>49,115</u>

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

5 Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	4,853,616	4,853,616	7,004,945
Capital Grants	-	98,860	98,860	163,437
Other DfE/EFA grants	<u>161,215</u>	<u>-</u>	<u>161,215</u>	<u>4,367</u>
	<u>161,215</u>	<u>4,952,476</u>	<u>5,113,691</u>	<u>7,172,749</u>
Other Government grants				
Local authority grants	<u>1,434</u>	<u>-</u>	<u>1,434</u>	<u>19,427</u>
	<u>162,649</u>	<u>4,952,576</u>	<u>5,115,125</u>	<u>7,192,176</u>

6 Resources Expended

	Staff Costs £	Non Pay Premises £	Expenditure Other Costs £	Total 2014 £	Total 2013 £
Academy's educational operations					
Direct costs	3,353,513	-	441,008	3,794,521	5,307,865
Allocated support costs	<u>523,146</u>	<u>474,228</u>	<u>707,203</u>	<u>1,704,577</u>	<u>2,524,825</u>
	<u>3,876,659</u>	<u>474,228</u>	<u>1,148,211</u>	<u>5,499,098</u>	<u>7,832,690</u>
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>185,068</u>	<u>185,068</u>	<u>243,335</u>
	<u>3,876,659</u>	<u>474,228</u>	<u>1,333,279</u>	<u>5,684,166</u>	<u>8,076,025</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

	2014 £	2013 £
Incoming/outgoing resources for the year include:		
Operating leases - equipment	-	-
Fees payable to auditor		
Audit	6,500	6,000
Other services	-	-
Profit/(loss) on disposal of fixed assets	<u>-</u>	<u>-</u>

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
<i>Direct costs</i>				
Teaching and educational support staff costs	-	3,353,513	3,353,513	4,665,597
Learning resources	-	117,787	117,787	159,610
Examination fees	-	116,394	116,394	208,800
Staff development	-	26,965	26,965	34,362
Educational trips	167,457	-	167,457	226,633
Other direct costs	-	12,405	12,405	12,863
	<u>167,457</u>	<u>3,627,064</u>	<u>3,794,521</u>	<u>5,307,865</u>
<i>Allocation supported costs</i>				
Support staff costs	-	523,146	523,146	655,290
Depreciation	-	87,804	87,804	68,956
Technology costs	-	60,770	60,770	102,002
Recruitment and support	-	15,506	15,506	17,113
Maintenance of premises and equipment	-	262,152	262,152	215,647
Cleaning	-	97,151	97,151	150,943
Rent & rates	-	34,739	34,739	32,039
Energy costs	-	80,186	80,186	153,695
Insurance	-	46,738	46,738	54,969
Security and transport	-	27,289	27,289	29,306
Catering	-	18,088	18,088	12,213
Equipment	-	-	-	68,074
Health & Safety, first aid etc	-	6,621	6,621	7,706
Refurbishment	-	261,921	261,921	183,754
Advertising	-	13,801	13,801	14,508
General office & admin costs	-	97,970	97,970	74,812
Other support costs	-	2,695	2,695	3,798
Pension fund interest	-	68,000	68,000	84,000
	<u>-</u>	<u>1,704,577</u>	<u>1,704,577</u>	<u>1,928,825</u>
	<u>167,457</u>	<u>5,331,641</u>	<u>5,499,098</u>	<u>7,236,690</u>

8 Governance Costs

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
Legal and professional fees	-	178,568	178,568	237,335
Auditor's remuneration				
• Audit of financial statements	-	6,500	6,500	6,000
• Other audit costs	-	-	-	-
	<u>-</u>	<u>185,068</u>	<u>185,068</u>	<u>243,335</u>

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

9 Staff Costs

	2014	2013
Staff costs during the period were:		
Wages and salaries	3,101,023	4,385,928
Social security costs	240,575	341,979
Pension costs	<u>434,525</u>	<u>596,980</u>
	3,776,123	5,324,887
Supply teacher costs	67,746	-
Staff restructuring costs	<u>32,790</u>	<u>-</u>
	<u>3,876,659</u>	<u>5,324,887</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows:

	2014 Number	2014 Full-time equivalent	2013 Number	2013 Full-time equivalent
Charitable Activities				
Teachers	72	61.71	73	65.46
Administration and support	<u>41</u>	<u>31.77</u>	<u>42</u>	<u>31.29</u>
	<u>113</u>	<u>93.48</u>	<u>115</u>	<u>96.75</u>

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

	2014	2013
£60,001 - £70,000	1	4
£70,001 - £80,000	1	7
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1
£130,001 - £140,000	-	1

Both of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £19,025.

10 Related Party Transactions - Trustees' Remuneration and Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

D Robson (Head Teacher)	£70,000 - £75,000 (2013 - £95,000 - £100,000)
J R Whiting (Staff Trustee)	£15,000 - £20,000 (2013 - £25,000 - £30,000)
M Lea (Staff Trustee)	£45,000 - £50,000 (2013 - £60,000 - £65,000)
H J M Storey (Staff Trustee)	£40,000 - £45,000 (2013 - £45,000 - £50,000)
L J Overton (Staff Trustee)	£25,000 - £30,000 (2013 - £30,000 - £35,000)

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

During the period ended 31st August 2014, no travel and subsistence expenses were reimbursed to trustees. There are no related party transactions involving the trustees.

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is £1,246 and is included in the total insurance cost.

12 Tangible Fixed Assets

	Furniture and Equipment £	Computer Equipment £	Total 2014 £
Cost-1 st September 2013	214,595	78,900	293,495
Additions	56,620	22,800	79,420
At 31 August 2014	271,215	101,700	372,915
Depreciation - 1 st September 2013	42,919	26,037	68,956
Charged in period	54,243	33,561	87,804
At 31 August 2014	97,162	59,598	156,760
Net book values			
At 31 August 2013	174,053	42,102	216,155
At 31 st August 2013	171,676	52,863	224,539

13 Debtors

	2014 £	2013 £
Trade debtors	8,514	9,883
VAT recoverable	71,858	8,453
Prepayments and accrued income	132,875	39,467
	<u>213,247</u>	<u>57,803</u>

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	343,726	223,345
Accruals and deferred income	20,430	50,761
	<u>364,156</u>	<u>284,106</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

Deferred income

	2014 £	2013 £
Deferred Income at 31 August 2014	<u>31,199</u>	<u>33,023</u>

15 Funds

	Balance at 31 August 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
	(96,324)	4,853,616	(5,343,905)	-	(586,613)
Pension reserve	<u>(693,000)</u>	<u>46,000</u>	<u>(85,000)</u>	<u>(126,000)</u>	<u>(858,000)</u>
	(789,324)	4,899,616	(5,428,905)	(126,000)	(1,444,613)
Restricted fixed asset funds					
DfE/EFA capital grants	224,539	98,860	(87,804)	(19,440)	216,155
Total restricted funds	(564,785)	4,998,476	(5,516,709)	(145,440)	(1,228,458)
Unrestricted funds	628,139	711,955	(167,457)	19,440	1,192,077
Total funds	63,354	5,710,431	(5,684,166)	(126,000)	(36,381)

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 2014.

16 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restrict ed Fixed Asset Funds £	Total Funds 2014 £
Tangible fixed assets	-	-	216,155	216,155
Net current assets	1,192,077	(586,613)	-	605,464
Pension scheme liability	-	(858,000)	-	(858,000)
Total net assets	<u>1,192,077</u>	<u>(1,444,613)</u>	<u>216,155</u>	<u>(36,381)</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

17 Reconciliation of net income to net cash inflow from operating activities

	2014 £	2013 £
Net income	26,265	128,354
Depreciation (note 12)	87,804	68,956
Capital grants from DfE/EFA and other capital income	(98,860)	(163,437)
Interest receivable (note 4)	(3,781)	(1,115)
FRS 17 pension cost less contributions payable (note 4)	85,000	80,000
FRS 17 pension finance income (note 22)	(46,000)	(48,000)
Pension fund deficit on transfer	-	596,000
(Increase) in debtors	(155,444)	(57,803)
Increase in creditors	80,050	284,106
Net cash(outflow)/inflow from operating activities	<u>(24,966)</u>	<u>887,061</u>

18 Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	<u>3,781</u>	<u>1,115</u>

19 Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	79,420	293,495
Capital grants from DfE/EFA	(98,860)	(163,437)
Net cash inflow / (outflow) from capital expenditure and financial investment	<u>(19,440)</u>	<u>130,058</u>

20 Analysis of changes in net funds

	At 31 August 2013 £	Cash flows £	At 31 August 2014 £
Cash in hand and at bank	<u>758,118</u>	<u>(1,745)</u>	<u>756,373</u>

21 Members' Liability

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

22 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, which is managed by West Midlands Pension Fund. Both are defined-benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future

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FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the

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NOTES TO THE FINANCIAL STATEMENTS

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scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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 2014 was £123,854, of which employer's contributions totalled £90,268 and employees' contributions totalled £33,586. The agreed employer contribution rates for future years is 14.6%. Employee contribution rates are dependent upon the individual's salary.

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

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.95%	4.15%
Rate of increase for pensions in payment / inflation	2.2%	2.4%
Discount rate for scheme liabilities	4.0%	4.6%
Inflation assumption (CPI)	2.2%	2.4%
Commutation of pensions to lump sums	-	50.0

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.9	22.1
Females	25.5	24.8
<i>Retiring in 20 years</i>		
Males	25.1	23.9
Females	27.8	26.7

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

	Expected return at 31 August 2014	Fair value at 31 August 2014 £000	Expected return at 31 August 2013	Fair value at 31 August 2013 £000
Equities	7%	447	7%	305
Government bonds	2.9%	79	3.4%	61
Other bonds	3.8%	102	4.4%	81
Property	6.2%	87	5.7%	63
Cash	0.5%	44	0.5%	30
Other	7.0%	236	7.0%	182
Investment expenses	0.11%	-	-	-
		<u>995</u>		<u>722</u>
Total market value of assets				
Present value of scheme liabilities				
- Funded		(1,853)		(1,415)
(Deficit) in the scheme		<u>(858)</u>		<u>(693)</u>

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. Assumptions used are appropriate to the particular class of asset weighted by the proportion of assets in the particular asset class.

The actual return on scheme assets was £83,000 (2013:£73,000).

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	73	4
Past service cost	-	-
Total operating charge	<u>73</u>	<u>4</u>
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	46	48
Interest on pension liabilities	(68)	(84)
Pension finance (costs)	<u>(22)</u>	<u>(36)</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £191,000 loss (2013: £65,000 loss).

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NOTES TO THE FINANCIAL STATEMENTS

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

	2014	2013
	£000	£000
At 1 September 2013/1 April 2012	1,415	1,071
Current service cost	107	123
Past service cost	-	-
Interest cost	68	84
Employee contributions	34	43
Actuarial (gain)/loss	230	90
Curtailments and settlements	-	-
Benefits paid	(1)	4
At 31 August	<u>1,853</u>	<u>1,415</u>

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

	2014	2013
	£000	£000
At 1 September 2013/1 April 2012	722	475
Expected return on assets	46	48
Actuarial gain/(loss)	104	25
Employer contributions	90	127
Employee contributions	34	43
Benefits paid	(1)	4
At 31 August	<u>995</u>	<u>722</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £107,000.

The two-year history of experience adjustments is as follows:

	2014	2013
	£000	£000
Present value of defined benefit obligations	1,853	1,415
Fair value of share of scheme assets	995	722
(Deficit) in the scheme	<u>(858)</u>	<u>(693)</u>
Experience adjustments on share of scheme assets	<u>104</u>	<u>25</u>
Experience adjustments on scheme liabilities:	<u>(127)</u>	<u>-</u>

23 Comparative figures

The financial statements to 31st August 2013 covered the seventeen month period from 1st April 2012 to 31st August 2013.