

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2017

Members and Trustees

Mrs G Hayward, Co-opted Trustee, Chair until 11 October 2017 *
Mrs H Holman, Foundation Trustee, Chair from 11 October 2017 (appointed 11th October 2017)
Mr A Harris, Headteacher *
Mr T Andrews, Staff Trustee (resigned 14th September 2016)
Ms N de Silva, Staff Trustee
Mr A Farwell, Staff Trustee
Mrs M Clarke, Foundation Trustee *
Dr J Cordwell, Foundation Trustee
Mr D Bush, Foundation Trustee * (resigned 19th September 2016)
Mr I Trayling, Foundation Trustee
Mr C Jenner, Foundation Trustee *
Ms R Robinson, Foundation Trustee *
Ms L Culpepper, Foundation Trustee (appointed 7th December 2016, resigned 4th July 2017)
Mr C Sanders, Parent Trustee *
Mr D Driver, Parent Trustee * (resigned 24th February 2017)
Mr J Spragg, Parent Trustee (appointed 7th December 2016, resigned 6th March 2017)
Mr D McCoubrie, Parent Trustee (appointed 7th December 2016, resigned 5th September 2017)
Mrs K Harvey, Parent Trustee (appointed 17th May 2017)
Mrs S Haynes, Parent Trustee (appointed 17th May 2017)
Mrs R Marshall, Co-opted Trustee *
Mr W Lee, Co-opted Trustee (resigned 10th October 2017)
Ms S Plant, Co-opted Trustee (appointed 11th October 2017)

* Members of the Finance Committee

Company secretary Mrs F MacMillan

Senior management team

Mr A Harris, Headteacher
Miss H Khan, Deputy Headteacher
Mr C Mann, Deputy Headteacher
Miss F Bailey, Assistant Headteacher
Miss K John, Assistant Headteacher
Mr R Warren, Assistant Headteacher

Chief finance officer Mr R Jackman

Company name Katharine Lady Berkeley's School

Principal and registered office Kingswood Road
Wotton-Under-Edge
Gloucestershire
GL12 8RB

Company registered number 07696921

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31ST AUGUST 2017**

Advisers (continued)

Statutory Auditor Davies Mayers Barnett Audit Services
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Bankers Lloyds TSB
12 Rowcroft
Stroud
Gloucestershire
GL5 3BD

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

KATHARINE LADY BERKELEY'S SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2017

The Trustees who act as Governors of Katharine Lady Berkeley's School and are also directors of the charitable company for the purposes of company law) present their annual report together with the audited financial statements of Katharine Lady Berkeley's School ("the Academy") for the year ended 31st August 2017.

Structure, governance and management

CONSTITUTION

The Academy Trust 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's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees act as the Governors for the charitable activities of Katharine Lady Berkeley's School and are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Katharine Lady Berkeley's School.

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

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

The Academy Trust maintains Trustees' liability insurance. This is currently with Zurich Municipal with a policy expiry date of 30th July 2018.

PRINCIPAL ACTIVITIES

The purposes of the Academy Trust 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2017

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The school has adopted an in-house programme of induction for all new Trustees and new Trustees also attend an induction course run by Gloucestershire County Council. This includes information about the school, the Company and the Academy 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 Governors 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 Trust through these.

They make decisions about the future direction of the Academy Trust, 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 Trust has been delegated to the Headteacher. The Headteacher is able to delegate the day to day running of the Academy Trust 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2017

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 44 of the Local Government Pay Scale.

RISK MANAGEMENT

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

The Trustees' Health & Safety Committee meets termly and reports back to the full Board of Trustees.

The key controls used by the Academy Trust 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 Trust, 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.

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.

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

The Academy Trust 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.

STRATEGIES AND ACTIVITIES

To achieve our objectives and aims the Academy Trust 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 Trust'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 Trust also has a well established programme of staff performance, appraisal and target setting.

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PUBLIC BENEFIT

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

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

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 2017 are as follows:

GCSE

% achieving grade 4 or above in English and mathematics	78%
% achieving grade 5 or above in English and mathematics	52%
% disadvantaged pupils grade 4 or above in English and mathematics	61%
% entries resulting in grades A/A*	22%
% achieving the English Baccalaureate (standard pass)	40%
Progress 8 score	-0.15

GCE A Level

% entries resulting in grades A*/A/B	67%
% entries resulting in grades A*/A	35%
Average points score per entry	37.05
A Level value added score	+0.12

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 Raise Online (OFSTED) and ALPS (A Level Performance System).

Ofsted Inspection

The school was inspected by OFSTED during 2016/17, 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)

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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 and September 2017. Numbers on roll at the start of the academic year for the last 6 years are as follows:

September 2017	1505	September 2014	1454
September 2016	1505	September 2013	1448
September 2015	1453	September 2012	1493

Attendance

For terms 1 to 4 during 2016/17, 1210 pupils of compulsory school age were on roll for at least one session. 3.8% of sessions were missed through authorised absence and 0.4% through unauthorised absence.

Staffing

For 2016/17, the teacher staffing establishment was 84.7 full time equivalent. The non-teaching staff establishment was 49.5 full time equivalent.

SCHOOL IMPROVEMENT PLAN 2016/17

1. To further develop our assessment procedures to ensure that they are proportionate and that they enable us to provide effective support to individuals and to groups of students so that they attain their best possible results.
2. To review and develop the procedures for grouping students in Year 7.
3. To introduce more effective control of the quality of marking and feedback throughout the school through agreed guidelines concerning the nature and frequency of marking and the explicit reference to this in lesson observations and appraisal.
4. To restructure the Learning Support provision to match reducing income for additional needs.
5. Pupil premium 'gap'. To continue to support students through additional in class support in mathematics, small group extraction from English and mentoring from specialist support workers in order to help students in receipt of Pupil Premium funding to make similar progress to other students.
6. Key curriculum developments:
 - (a) Mathematics – secure good progress measures for less able students with the increased demands and higher floor grade of the higher level GCSE.
 - (b) Science – raise attainment at GCSE to at least 80% gaining grade C (4) or above in at least two sciences
 - (c) Computing – to restore curriculum time at Key Stage 3 to 2 hours per fortnight and develop curriculum accordingly.
 - (d) Languages – fully consider the replacement of French by Spanish as the 'core' language at Key Stage 3 for September 2016 or 2017.
 - (e) To make the changes required to fully support sixth form students in the transition to linear A levels.
 - (f) To ensure that all students who achieve grade C or above in English and mathematics are also awarded grade C or above in at least three other subjects
 - (g) To identify those subjects on the 'open' attainment 8 pool in which students make relatively poor progress and then find ways to improve the progress of students in these subjects and/or to make curriculum change so that progress in the 'open' pool is improved.
7. To investigate alternatives to exclusion so that the exclusion rate can be reduced.
8. To find ways to improve our sixth form accommodation through minor alterations and to seek funding for new accommodation.
9. To develop the links between the school improvement plan, performance management and professional development for all staff in order to fully support school improvement.

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The last two targets are part of a longer term plan to raise standards by improving recruitment, providing wider opportunities for staff development and to make a greater contribution to the education system:

10. To fully investigate the ways in which the school can work effectively with other schools to share good practice and provide a wider range of staff development opportunities.
11. To fully investigate, and discuss with relevant providers, the opportunities to increase the school's role in Initial Teacher Training.

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.

KEY PERFORMANCE INDICATORS

At the end of the year, the overall balance (revenue and capital) amounted to £417,047 (2016: £373,653) (excluding fixed assets and the pension scheme liability).

The number on roll used as the basis for our grant income in this period was 1457.

Financial review

FINANCIAL REPORT FOR THE YEAR

Most of the Academy Trust'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 year ended 31st August 2017 and the associated expenditure are shown as restricted funds (non fixed assets) in the Statement of Financial Activities.

The Academy Trust 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 2017 the carrying value of fixed assets was £31,469,180 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

After two years of undersubscription, the school has been fully subscribed since September 2014 with a significant increase in the number on roll in September 2016 due to a large Year 7 replacing a smaller Year 11. As the funding for the additional pupils was not received until September 2017 and, in 2016/17 the school had to meet the full year cost of the National Insurance changes, the costs of the living wage, the apprenticeship levy, resources for new GCSE and A level courses and various inflationary pressures, the expenditure in 2016/17 exceeded the income. This was a planned over expenditure and well within the school's reserves. For 2017/18 another large Year 7 group has replaced a much smaller Year 11 group. However, our Year 12 population is lower than expected due to disappointing GCSE results which means that, overall, the school population in 2017/18 is similar to that of 2016/17. As the funding has now caught up with the pupil numbers, the budget for 2017/18 shows a small in year surplus.

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FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy Trust 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 Trust with any current liquidity problems.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the Academy Trust 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 Trust'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.

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 funds which provide:

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

INVESTMENT POLICY

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

The Academy Trust 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 Trust would employ an agent to give advice on suitable investment opportunities.

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Plans for future periods

PLANS FOR FUTURE PERIODS

The Academy Trust 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 2017/18 are as follows:

1. Progress targets:
 - (a) To reverse the significant decline in GCSE results in 2017 in order to achieve a progress 8 score of at least 0.25 in 2018 and 60% of students achieving grade 5 or above in English and mathematics.
 - (b) Progress in the 'open pool' – particularly Art, Music and Drama. For the open pool progress 8 score to be at least 0.3.
 - (c) 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.

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.

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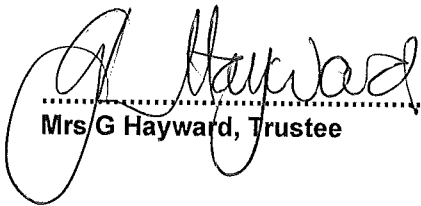
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Davies Mayers Barnett LLP resigned as auditors on 30 October 2017 and were replaced by Davies Mayers Barnett Audit Services, a trading name of Baldwins Audit Services Limited.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the 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 was approved by order of the Board of Trustees, as the company directors, on 6 December 2017 and signed on its behalf by:


.....
Mrs G Hayward, Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G Hayward, Chair, Co-opted Trustee	7	7
Mr A Harris	7	7
Mr T Andrews	0	0
Ms N de Silva	6	7
Mr A Farwell	6	7
Mrs M Clarke	5	7
Dr J Cordwell	5	7
Mr D Bush (resigned 19 September 2016)	0	0
Mr I Trayling	4	7
Mr C Jenner	7	7
Ms R Robinson	7	7
Ms L Culpepper (appointed 7 December 2016, resigned 4 July 2017)	4	5
Mr C Sanders	5	7
Mr D Driver (resigned 24 February 2017)	4	4
Mr J Spragg (appointed 7 December 2016, resigned 6 March 2017)	2	3
Mr D McCoubrie (appointed 7 December 2016, resigned 5 September 2017)	5	6
Mrs K Harvey (appointed 17 May 2017)	1	2
Mrs S Haynes (appointed 17 May 2017)	2	2
Mrs R Marshall	5	7
Mr W Lee (resigned 10 October 2017)	3	7

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

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G Hayward, Chair	5	6
Mr C Sanders	6	6
Mrs R Robinson	3	6
Mr A Harris	6	6
Mrs M Clarke	6	6
Mr C Jenner	6	6
Mrs R Marshall	4	6
Mr D Driver	0	1
Mr D Bush	0	1

GOVERNANCE REVIEW

Governance is kept under constant review. During 2016/17, because of the close link between staffing decisions and the school's finance, it was decided to merge the finance with the staffing committee which has proved to be both effective and efficient.

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

REVIEW OF VALUE FOR MONEY

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

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

- Ensuring the best possible outcomes for students through improved tracking of progress and targeted intervention where appropriate.
- Improvements to the strategy used to support disadvantaged students enabling more effective use of Pupil Premium funding.
- Restructuring and reducing the Teaching Assistant staffing for supporting children with SEND in line with reducing income for these children and to avoid regular and frequent overtime claims.
- Benchmarking expenditure against that in other schools using data collated by Gloucestershire Association of Secondary Headteachers.
- Avoiding waste and extravagance, including improving the energy efficiency of the Academy through the installation of double glazed windows in certain areas and the use of more efficient lighting systems.
- Effective planning for anticipated changes in costs (including National Insurance contributions and unfunded pay increases) in future periods.
- Alterations to existing buildings in order to improve the Academy's catering facilities to provide increased capacity and efficiency.

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

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Katharine Lady Berkeley's School for the year 1st September 2016 to 31st August 2017 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1st September 2016 to 31st August 2017 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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr C Jenner, a Foundation Trustee, as Responsible Officer (RO) to carry out a programme of internal checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the new RO will report to the Board of Trustees through the Finance Committee 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.

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

GOVERNANCE STATEMENT (continued)

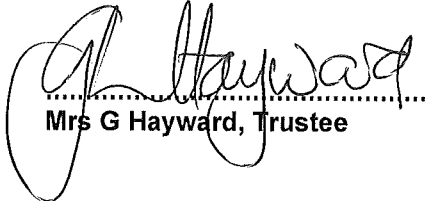
REVIEW OF EFFECTIVENESS


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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on their behalf, by:


.....
Mrs G Hayward, Trustee


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

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Katharine Lady Berkeley's School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2016).

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 (2016).

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 Harris, Headteacher & Accounting Officer

6 December 2017

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2017

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

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

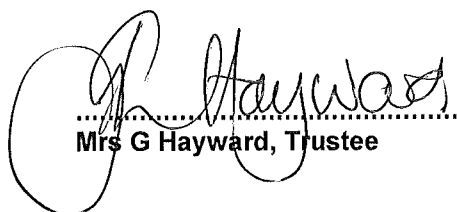
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on its behalf by:


.....
Mrs G Hayward, Trustee

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KATHARINE LADY BERKELEY'S SCHOOL**

OPINION

We have audited the financial statements of Katharine Lady Berkeley's School for the year ended 31st August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31st August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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 financial statements are authorised for issue.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KATHARINE LADY BERKELEY'S SCHOOL**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report (incorporating the Strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and.
- the Trustees' report (incorporating the Strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KATHARINE LADY BERKELEY'S SCHOOL**

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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



Nicola Smith (Senior statutory auditor)

for and on behalf of

Davies Mayers Barnett Audit Services

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

6 December 2017

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

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

In accordance with the terms of our engagement letter dated 15th November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Katharine Lady Berkeley's School during the year 1st September 2016 to 31st August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Katharine Lady Berkeley's School and the 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 the 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 1st August 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1st September 2016 to 31st August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

Approach (continued)

In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the 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.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1st September 2016 to 31st August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Davies Mayers Barnett Audit Services

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

6 December 2017

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2017**

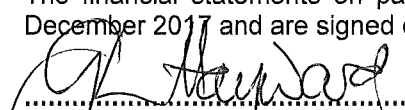
	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	2,988	5,941	606,871	615,800	1,003,225
Charitable activities:	3					
Funding for the Academy's educational operations		323,859	6,986,471	-	7,310,330	7,383,420
Other trading activities	4	43,706	-	-	43,706	29,990
Investments	5	5,209	-	-	5,209	821
TOTAL INCOME		375,762	6,992,412	606,871	7,975,045	8,417,456
EXPENDITURE ON:						
Raising funds		19,357	-	-	19,357	22,019
Charitable activities:						
Academy's educational operations		296,028	7,075,426	852,563	8,224,017	8,083,022
TOTAL EXPENDITURE	6	315,385	7,075,426	852,563	8,243,374	8,105,041
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	60,377	(83,014)	(245,692)	(268,329)	312,415
		-	(72,969)	72,969	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		60,377	(155,983)	(172,723)	(268,329)	312,415
Actuarial gains/(losses) on defined benefit pension schemes	23	-	622,000	-	622,000	(509,000)
NET MOVEMENT IN FUNDS		60,377	466,017	(172,723)	353,671	(196,585)
RECONCILIATION OF FUNDS:						
Total funds brought forward		109,607	(2,306,954)	31,778,068	29,580,721	29,777,306
TOTAL FUNDS CARRIED FORWARD		169,984	(1,840,937)	31,605,345	29,934,392	29,580,721

KATHARINE LADY BERKELEY'S SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07696921

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		31,469,180		31,219,573
CURRENT ASSETS					
Stocks	13	3,341		3,213	
Debtors: amounts falling due after more than one year	14	-		162,530	
Debtors: amounts falling due within one year	14	578,050		615,185	
Cash at bank and in hand		921,038		603,841	
			<u>1,502,429</u>	<u>1,384,769</u>	
CREDITORS: amounts falling due within one year	15		<u>(949,217)</u>	<u>(452,621)</u>	
NET CURRENT ASSETS			<u>553,212</u>		932,148
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>32,022,392</u>		32,151,721
Defined benefit pension scheme liability	23		<u>(2,088,000)</u>		<u>(2,571,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>29,934,392</u>		<u>29,580,721</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	247,063		264,046	
Restricted fixed asset funds	16	31,605,345		31,778,068	
Restricted income funds excluding pension liability		31,852,408		32,042,114	
Pension reserve		<u>(2,088,000)</u>		<u>(2,571,000)</u>	
Total restricted income funds			<u>29,764,408</u>		29,471,114
Unrestricted income funds	16		<u>169,984</u>		<u>109,607</u>
TOTAL FUNDS			<u>29,934,392</u>		<u>29,580,721</u>

The financial statements on pages 24 to 50 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:


.....
Mrs G Hayward, Trustee

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>201,658</u>	<u>341,806</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,209	821
Proceeds from the sale of tangible fixed assets		200	-
Purchase of tangible fixed assets		(786,842)	(638,918)
Capital grants from DfE/EFA and others		896,972	397,875
Net cash provided by/(used in) investing activities		<u>115,539</u>	<u>(240,222)</u>
Change in cash and cash equivalents in the year		317,197	101,584
Cash and cash equivalents brought forward		<u>603,841</u>	<u>502,257</u>
Cash and cash equivalents carried forward	21	<u><u>921,038</u></u>	<u><u>603,841</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES

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

Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Katharine Lady Berkeley's School meets the definition a public entity as defined by FRS 102.

Going concern

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year 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 unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account 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 are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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 allocated on the portion of the asset's use.

Costs of raising funds are costs incurred to raise funds for the Academy Trust's charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

Long Leasehold Buildings

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

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

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 incorporating income and expenditure account.

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

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

Liabilities

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

Provisions

Provisions are recognised when the Academy Trust 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.

Leased Assets

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

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1. ACCOUNTING POLICIES (continued)

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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 instruments.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Taxation

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

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

Fund accounting

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

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

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	2,988	5,941	61,919	70,848	40,190
Capital grants	-	-	544,952	544,952	963,035
	<u>2,988</u>	<u>5,941</u>	<u>606,871</u>	<u>615,800</u>	<u>1,003,225</u>
<i>Total 2016</i>	<u>3,214</u>	<u>1,309</u>	<u>998,702</u>	<u>1,003,225</u>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	6,572,315	6,572,315	6,625,274
Other DfE/ESFA grants	-	147,047	147,047	148,234
	-	6,719,362	6,719,362	6,773,508
Other government grants				
Local authority grants	-	42,782	42,782	59,393
	-	42,782	42,782	59,393
Other funding				
Catering services	297,327	-	297,327	262,260
School funds	-	223,002	223,002	234,947
Other income	26,532	1,325	27,857	53,312
	323,859	224,327	548,186	550,519
	323,859	6,986,471	7,310,330	7,383,420
<i>Total 2016</i>	306,597	7,076,823	7,383,420	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	33,119	-	33,119	23,703
Other income	10,587	-	10,587	6,287
	43,706	-	43,706	29,990
<i>Total 2016</i>	29,990	-	29,990	

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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	5,209	-	5,209	821
<i>Total 2016</i>	821	-	821	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	19,357	-	19,357	22,019
Academy's educational operations:					
Direct costs	5,104,875	-	645,267	5,750,142	5,705,090
Support costs	988,685	1,073,682	411,508	2,473,875	2,377,932
	6,093,560	1,093,039	1,056,775	8,243,374	8,105,041
<i>Total 2016</i>	5,956,477	1,069,362	1,079,202	8,105,041	

In 2016, of the total expenditure, £299,198 was unrestricted funds, £6,988,359 was restricted funds and £817,484 was restricted fixed asset funds.

7. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance cost	52,000	73,000
Premises costs	221,119	251,878
Other support costs	394,072	396,774
Governance costs	17,436	15,935
Support staff costs	936,685	822,861
Depreciation	852,563	817,484
	2,473,875	2,377,932
<i>At 31st August 2016</i>	2,377,932	

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7. SUPPORT COSTS (continued)

During the year ended 31st August 2017, the Academy Trust incurred the following total governance costs:

£49,855 (2016 - £54,955) included within the table above in respect of Educational operations.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned assets	208,530	173,451
- leased assets	644,033	644,033
(Gain)/loss on disposal of fixed assets	(200)	-
Auditors' remuneration - audit	10,420	10,420
Auditors' remuneration - other services	4,315	4,315
Operating lease rentals	21,036	39,517
	<u>21,036</u>	<u>39,517</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	4,595,503	4,618,490
Social security costs	448,330	388,036
Operating costs of defined benefit pension schemes	948,422	824,215
	<u>5,992,255</u>	<u>5,830,741</u>
Apprenticeship levy	3,270	-
Supply teacher costs	28,114	31,232
Staff restructuring costs	17,921	21,504
Pension finance cost	52,000	73,000
	<u><u>6,093,560</u></u>	<u><u>5,956,477</u></u>

Staff restructuring costs comprise:

Redundancy payments	3,551	21,504
Severance payments	14,370	-
	<u>17,921</u>	<u>21,504</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £14,370 (2016: £Nil). Individually, the payment was £14,370.

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

	2017	2016
	No.	No.
Teachers	105	103
Administration and support	100	85
Management	6	6
	<u>211</u>	<u>194</u>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

During the year ended 31 August 2017, pension contributions for the above staff amounted to £37,892 (2016: £37,516).

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

The key management of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £583,857 (2016: £569,002).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£	£
Mr A Harris, Headteacher	Remuneration	100,000-105,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Ms N de Silva, Staff Trustee	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr A Farwell, Staff Trustee (appointed 15 October 2015)	Remuneration	45,000-50,000	35,000-40,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr T Andrews, Staff Trustee (resigned 14 September 2015)	Remuneration		0-5,000
	Pension contributions paid		0-5,000

During the year ended 31st August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

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

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2017 was £957 (2016 - £1,007). The cost of this insurance is included in the total insurance cost.

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12. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost				
At 1st September 2016	32,201,655	6,083	373,403	544,013
Additions	-	-	59,481	57,818
Disposals	-	-	-	(500)
At 31st August 2017	<u>32,201,655</u>	<u>6,083</u>	<u>432,884</u>	<u>601,331</u>
Depreciation				
At 1st September 2016	3,273,835	4,166	243,911	395,993
Charge for the year	644,033	1,217	36,343	76,480
On disposals	-	-	-	(500)
At 31st August 2017	<u>3,917,868</u>	<u>5,383</u>	<u>280,254</u>	<u>471,973</u>
Net book value				
At 31st August 2017	<u>28,283,787</u>	<u>700</u>	<u>152,630</u>	<u>129,358</u>
At 31st August 2016	<u>28,927,820</u>	<u>1,917</u>	<u>129,492</u>	<u>148,020</u>
			Leasehold improvements £	Total £
Cost				
At 1st September 2016			2,188,142	35,313,296
Additions			984,871	1,102,170
Disposals			-	(500)
At 31st August 2017			<u>3,173,013</u>	<u>36,414,966</u>
Depreciation				
At 1st September 2016			175,818	4,093,723
Charge for the year			94,490	852,563
On disposals			-	(500)
At 31st August 2017			<u>270,308</u>	<u>4,945,786</u>
Net book value				
At 31st August 2017			<u>2,902,705</u>	<u>31,469,180</u>
At 31st August 2016			<u>2,012,324</u>	<u>31,219,573</u>

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12. TANGIBLE FIXED ASSETS (continued)

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

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

13. STOCKS

	2017 £	2016 £
Catering	3,341	3,213
	3,341	3,213

14. DEBTORS

	2017 £	2016 £
Due after more than one year		
Prepayments and accrued income	-	162,530
	-	162,530

	2017 £	2016 £
Due within one year		
Other debtors	166,936	58,356
Prepayments and accrued income	411,114	556,829
	578,050	615,185

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	530,472	68,564
Other taxation and social security	111,892	-
Other creditors	28,288	27,271
Accruals and deferred income	278,565	356,786
	949,217	452,621

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15. CREDITORS: Amounts falling due within one year (continued)

	2017	2016
	£	£
Deferred income		
Deferred income at 1st September 2016	83,734	107,038
Resources deferred during the year	110,553	83,734
Amounts released from previous years	(83,734)	(107,038)
	<u>110,553</u>	<u>83,734</u>
Deferred income at 31st August 2017	<u>110,553</u>	<u>83,734</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 rates relief, capital expenditure, educational trips and catering.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1st September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2017 £
Unrestricted funds						
Unrestricted funds	109,607	375,762	(315,385)	-	-	169,984
Restricted funds						
	Balance at 1st September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2017 £
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>(72,969)</u>	<u>622,000</u>	<u>(1,840,937)</u>
Restricted fixed asset funds						
	Balance at 1st September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2017 £
DfE/ESFA capital grants	2,242,523	544,952	(75,432)	-	-	2,712,043
Predecessor school transfer	28,987,582	-	(663,111)	-	-	28,324,471
Capital expenditure from GAG and general reserves	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>-</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>-</u>	<u>622,000</u>	<u>29,764,408</u>
Total of funds	<u><u>29,580,721</u></u>	<u><u>7,975,045</u></u>	<u><u>(8,243,374)</u></u>	<u><u>-</u></u>	<u><u>622,000</u></u>	<u><u>29,934,392</u></u>

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16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1st September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2016 £
Unrestricted funds						
Unrestricted funds	68,183	340,622	(299,198)	-	-	109,607
	<u>68,183</u>	<u>340,622</u>	<u>(299,198)</u>	<u>-</u>	<u>-</u>	<u>109,607</u>
Restricted funds						
	Balance at 1st September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2016 £
General Annual Grant (GAG)	63,869	6,625,274	(6,528,607)	(112,842)	-	47,694
Other DfE/ESFA grants	59,626	148,234	(97,817)	-	-	110,043
Other government grants	30,349	59,393	(52,805)	-	-	36,937
School fund account	41,874	234,947	(227,246)	-	-	49,575
Other donations	19,397	10,284	(9,884)	-	-	19,797
Pension reserve	(1,990,000)	-	(72,000)	-	(509,000)	(2,571,000)
	<u>(1,774,885)</u>	<u>7,078,132</u>	<u>(6,988,359)</u>	<u>(112,842)</u>	<u>(509,000)</u>	<u>(2,306,954)</u>

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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1st September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2016 £
DfE/ESFA capital grants	1,308,526	963,035	(54,038)	25,000	-	2,242,523
Predecessor school transfer	29,650,695	-	(663,113)	-	-	28,987,582
Capital expenditure from GAG and general reserves	184,071	-	(83,248)	112,842	-	213,665
Other donations	340,716	35,667	(17,085)	(25,000)	-	334,298
	<u>31,484,008</u>	<u>998,702</u>	<u>(817,484)</u>	<u>112,842</u>	<u>-</u>	<u>31,778,068</u>
Total restricted funds	<u>29,709,123</u>	<u>8,076,834</u>	<u>(7,805,843)</u>	<u>-</u>	<u>(509,000)</u>	<u>29,471,114</u>
Total of funds	<u><u>29,777,306</u></u>	<u><u>8,417,456</u></u>	<u><u>(8,105,041)</u></u>	<u><u>-</u></u>	<u><u>(509,000)</u></u>	<u><u>29,580,721</u></u>

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

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

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

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

Transfers between Funds relates to fixed asset purchases made from revenue reserves during the period 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 2017.

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	31,469,180	31,469,180
Current assets	175,757	571,829	754,843	1,502,429
Current liabilities	(5,773)	(324,766)	(618,678)	(949,217)
Pension scheme liability	-	(2,088,000)	-	(2,088,000)
	<u>169,984</u>	<u>(1,840,937)</u>	<u>31,605,345</u>	<u>29,934,392</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	31,219,573	31,219,573
Debtors due after more than 1 year	-	-	162,530	162,530
Current assets	114,878	438,801	668,560	1,222,239
Creditors due within one year	(5,271)	(174,755)	(272,595)	(452,621)
Provisions for liabilities and charges	-	(2,571,000)	-	(2,571,000)
	<u>109,607</u>	<u>(2,306,954)</u>	<u>31,778,068</u>	<u>29,580,721</u>

18. CAPITAL COMMITMENTS

As at 31st August 2017, the Academy had capital commitments of £84,733 (2016: £518,192).

19. OPERATING LEASE COMMITMENTS

At 31st August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	18,454	21,036
Amounts due between one and five years	93,800	15,141
Amounts due after five years	-	-
	<u>112,254</u>	<u>36,177</u>

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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(268,329)	312,415
Adjustment for:		
Depreciation charges	852,563	817,484
Dividends, interest and rents from investments	(5,209)	(821)
(Profit) / loss on the sale of fixed assets	(200)	-
Increase / (decrease) in stocks	(128)	(280)
(Increase) / decrease in debtors	(90,436)	11,751
Increase / (decrease) in creditors	181,268	127,959
Capital grants from DfE and other capital income	(606,871)	(998,702)
Defined benefit pension scheme cost less contributions payable	87,000	(1,000)
Defined benefit pension scheme finance cost	52,000	73,000
	201,658	341,806
Net cash provided by operating activities	201,658	341,806

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand and at bank	921,038	603,841
Total	921,038	603,841

22. 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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23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Costs incurred in the period relating to TPS were £569,894 and relating to the LGPS were £291,536 (2016 - £552,261 (TPS), £272,954 (LGPS)).

Contributions amounting to £28,288 were payable to the schemes at 31st August 2017 (2016 - £27,271) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. 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.

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23. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £569,894 (2016 - £564,161).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2017 was £348,265 (2016 - £328,899), of which employer's contributions totalled £291,536 (2016 - £272,208) and employees' contributions totalled £56,729 (2016 - £56,691). The agreed contribution rates for future years are 31.7% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	2.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.4	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.4
Females	26.4	27.0

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23. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
0.5% decrease in Real Discount Rate	505,000	517,000
0.5% increase in the Salary Increase Rate	73,000	147,000
0.5% increase in the Pension Increase Rate	425,000	357,000
A 1 year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 3-5% (2016 - 3%).		
The Academy Trust's share of the assets in the scheme was:		

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,088,000	1,492,000
Gilts	-	-
Debt instruments	551,000	416,000
Property	203,000	154,000
Cash and other liquid assets	58,000	87,000
Derivatives	-	-
Total market value of assets	<u>2,900,000</u>	<u>2,149,000</u>

The actual return on scheme assets was £300,000 (2016 - £319,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(379,000)	(271,000)
Interest income	46,000	65,000
Interest cost	(98,000)	(138,000)
Total	<u>(431,000)</u>	<u>(344,000)</u>

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23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	4,765,000	3,618,000
Current service cost	379,000	271,000
Interest cost	98,000	138,000
Employee contributions	57,000	57,000
Actuarial (gains)/losses	(196,000)	763,000
Benefits paid	(115,000)	(82,000)
	<u>4,988,000</u>	<u>4,765,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,194,000	1,628,000
Return on plan assets (excluding net interest on the net defined pension liability)	46,000	65,000
Actuarial losses	426,000	254,000
Employer contributions	292,000	272,000
Employee contributions	57,000	57,000
Benefits paid	(115,000)	(82,000)
	<u>2,900,000</u>	<u>2,194,000</u>

24. RELATED PARTY TRANSACTIONS

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

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

During the year, Katherine Lady Berkeley's School received £14,119 from Sport Wotton Limited, a Joint Venture in which the Academy has an interest (2016: £14,083).

In entering into the transaction above, the Trust has complied with the requirements of the ESFA's Academies Financial Handbook 2017.