

Company Registration No. 07696921 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

KATHARINE LADY BERKELEY'S SCHOOL

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KATHARINE LADY BERKELEY'S SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr H Holman (Resigned 25 October 2019, reappointed 14 November 2019)
Mrs M Clarke
Dr J E Cordwell
Mr C Jenner
Mr S Weston
Mr B Rousseau
Ms S Plant
Mr T Rand
Mr A Covell
Mr P Adams
Mrs S Reynolds (Appointed 16 September 2020)
Mr G Warnock (Appointed 14 October 2020)
Mr B Miller (Appointed 23 October 2020)
Mrs S Haynes (Resigned 10 November 2019)
Mr J Blake (Resigned 1 April 2020)
Mr R Shaw (Resigned 6 May 2020)
Ms R Robinson (Resigned 12 October 2020)
Mrs S Cowan (Resigned 13 October 2020)
Mr M Baker (Appointed 9 November 2020)

Trustees

Dr H Holman (Foundation Governor, Chair) (Resigned 25 October 2019, reappointed 14 November 2019)
Mrs M Clarke (Foundation Governor)
Dr J E Cordwell (Foundation Governor)
Mr C Jenner (Foundation Governor)
Mr S Weston (Foundation Governor)
Mr B Rousseau (Parent Governor)
Ms S Plant (Co-opted Governor)
Mr T Rand (Headteacher)
Mr A Covell (Parent Governor)
Mr P Adams (Co-opted Governor)
Mrs S Reynolds (Staff Governor) (Appointed 16 September 2020)
Mr G Warnock (Staff Governor) (Appointed 14 October 2020)
Mr B Miller (Parent Governor) (Appointed 23 October 2020)
Mr M Baker (Foundation Governor) (Appointed 9 November 2020)
Mrs S Haynes (Parent Governor) (Resigned 10 November 2019)
Mr J Blake (Staff Governor) (Resigned 1 April 2020)
Mr R Shaw (Staff Governor) (Resigned 6 May 2020)
Ms R Robinson (Foundation Governor) (Resigned 12 October 2020)
Mrs S Cowan (Parent Governor) (Resigned 13 October 2020)

Chief Finance Officer

- Mr R Jackman

Chief Finance Officer

KATHARINE LADY BERKELEY'S SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Senior management team

- Headteacher	Mr T Rand
- Deputy Headteacher	Miss H Khan
- Deputy Headteacher	Mr C Mann
- Assistant Headteacher	Miss F Bailey
- Assistant Headteacher	Miss K John
- Assistant Headteacher	Mr R Warren (Resigned 31 August 2019)
- Assistant Headteacher	Mrs K Van Den Broek (Appointed 1 September 2020)

Company secretary Mrs F MacMillan

Company registration number 07696921 (England and Wales)

Registered office Kingswood Road
Wotton-Under-Edge
Gloucestershire
GL12 8RB

Independent auditor Azets Audit Services
Pillar House
113-115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Bankers Lloyds Bank Plc
12 Rowcroft
Stroud
Gloucestershire
GL5 3BD

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

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

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

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

The charitable company operates as Katherine Lady Berkeley's School.

The trustees of Katherine Lady Berkeley's School are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy maintains Trustees' Liability insurance. This is currently with Zurich Municipal with a policy expiry date of 30 July 2021.

PRINCIPAL ACTIVITIES

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

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

Method of recruitment and appointment or election of Trustees

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

Trustees are sought via election from the parent body, school staff, appointed by Katherine Lady Berkeley's Foundation 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 Trust.

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

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees

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

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

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

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

- Teaching and Learning
- Finance and Staffing
- 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. This provides Trustees with further objective evidence supporting or challenging the work of the school's management team.

Organisational structure

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

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

The pay scale for Deputy Headteachers is from point 18 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 size of the school, which is a large Group 7 school. 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 43 of the Local Government Pay Scale.

RISK MANAGEMENT

The Trustees are responsible for the management of risks faced by the Academy. The Trustees are assisted in this task by the Finance and Staffing Committee, which comprises members of the Board of Trustees, and by the Senior Management Team. The Trustees' Health & Safety Committee meets termly and reports back to the full Board of Trustees.

The key controls used by the Academy include:

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

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

Trade union facility time

There was no trade union facility time expenditure during the period 1 September 2019 to 31 August 2020, therefore there is no data to submit.

Related parties and other connected charities and organisations

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

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

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

At Katharine Lady Berkeley's School, our vision is that:

- through excellent teaching, we will inspire all students to become ambitious, confident individuals who enjoy their learning and achieve the success, in and out of the classroom, they deserve.
- through fantastic opportunities for cultural and sporting enrichment, we will inspire all students to develop into young people who are fulfilled in their lives.
- through an ethos of care for all, students will develop into young people who communicate well, are confident in themselves, respectful of others and embrace difference.

In order to achieve the above, our aims are to:

- Enable every child to make the best possible progress and enjoy multiple successes.
- Maintain an ambitious, balanced and enjoyable curriculum with many opportunities for extra-curricular and enrichment activities.
- Provide outstanding pastoral support, especially for those who need it most.
- Ensure that all members of the school community are committed to the well-being of the students.
- Value and support all staff, invest in their professional development and to develop ambition for themselves, colleagues and the students.
- Link effectively with parents, carers, the local community, other schools, colleges, universities, employers and other partners.

Objectives, strategies and activities

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

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

Public benefit

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

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

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Public Examination Results

While there are many measures of a school's performance, the key measures for a secondary school are outcomes at GCSE and at A level. The provisional overall headline statistics for students completing their courses in summer 2020 are as follows:

GCSE	% achieving grade 4 or above in English and mathematics	82%
	% achieving grade 5 or above in English and mathematics	61%
	% disadvantaged pupils grade 4 or above in English and mathematics	40%
	% entries resulting in grades 9-7*	31%
	% achieving the English Baccalaureate (strong pass)	36%
	Progress 8 score (un-validated and based on 2019 baseline data)	0.32
GCE A Level	% entries resulting in grades A*/A/B	74%
	% entries resulting in grades A*/A	50%
	A Level Alps Quality Indicator (QI)	2

The above results showed an improvement in overall performance at GCSE and the results at A level were excellent. It is, however, very difficult to analyse the results given the way that grades were awarded this summer. As a school, however, we are confident that the grades, if examinations had been sat as normal, would have been this strong in 2020. The school uses a range of benchmarking tools to evaluate performance including Analysing School Performance (DfE) and ALPS (A Level Performance System).

Ofsted Inspection

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

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

Numbers on roll

The numbers on roll reduced due to demographic change in this area from 2010/11 to 2015/16. The school has been oversubscribed with first choice preferences for September 2017, 2018 and 2019. The demographics were against us for 2020 entry but Year 7 did fill to its PAN. Sixth form numbers have continued to recover this year. Numbers on roll at the start of the academic year for each of the last 6 years are as follows:

September 2020	1524	September 2017	1505
September 2019	1471	September 2016	1505
September 2018	1469	September 2015	1453

Attendance

For terms 1 to 4 during 2019/20, 1250 pupils of compulsory school age were on roll for at least one session. 3.9% of sessions were missed through authorised absence and 0.2% through unauthorised absence.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Staffing

For 2019/20, the leadership staffing establishment was 5 full time equivalent, the teacher staffing establishment was 84.1 full time equivalent and the non teaching staff establishment was 44.3 full time equivalent.

SCHOOL IMPROVEMENT PLAN 2019/20

1. Progress targets:
 - Progress in English. For the English P8 figure to be 0.2.
 - Progress in the 'open pool' - particularly Art, Music and Drama. For the open pool progress 8 score to be at least 0.3.
 - Progress 8 score of at least 0.3.
2. Sixth form:
 - Maintain Alps figure of 3 or above.
 - Ensure teaching and learning is equally strong in all areas of the sixth form curriculum.
 - Consider widening the curriculum to improve recruitment and widen pathways.
3. Teaching:
 - To further develop the quality of feedback given to students to ensure that they can use it to improve their work, through the development of teaching and learning groups.
 - To develop work on retrieval practice, spaced learning and interleaving of work.
 - To improve the starts to lessons. Teachers on doors and productive starts to lessons.
 - To better support less effective teachers and challenge furthermore accomplished teachers.
4. Undertake a KS3 curriculum review in light of new Ofsted framework.
5. Re-consider the job descriptions of subject leaders.
6. Develop a long term strategy for ICT, i.e. the nature of provision around the school.
7. Introduce and embed a Quality Assurance Programme
8. Managing reducing income and increasing costs
9. Strengthen performance management procedures
10. Ensure effective teacher 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.

Key performance indicators

At the end of the year, the overall revenue balance amounted to £494,379 (excluding fixed asset fund and the pension scheme liability).

The number on roll used as the basis for our grant income in this period was 1467.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Financial Report for the Year

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds (non fixed assets) in the Statement of Financial Activities. Covid-19 had no impact on received grants from the ESFA in 2019/20.

The overall revenue deficit generated in the year ended 31 August 2020 was £10,266 resulting in the Academy's unrestricted reserves decreasing to £184,001 and restricted reserves increasing to £310,378.

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

At 31 August 2020 the net book value of fixed assets was £30,193,457 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The school has been fully subscribed since September 2014 with a significant increase in the number on roll in Years 7 to 11 over the last five years due to large Year 7 groups replacing smaller Year 11 groups. Our GCSE results are improving such that our Year 12 number increased to 137 students in September 2020 (130 Year 12 Students in 2019) and it is anticipated that the sixth form population will stabilise over the next few years.

The financial impact of Covid-19 was managed effectively by the Academy and despite losses of non ESFA income streams there was a minimal negative impact on Academy reserves. Funding was aided by additional income received for coronavirus exceptional support from the ESFA which totalled £36,419 mostly funding additional cleaning costs, continuing Free School Meal support and food parcels throughout lockdown and holiday periods.

Reserves policy

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

Reserves held are those unrestricted funds which provide:

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

In line with The Finance Policy of the Academy, reserves at the end of 2019/20 were at the maximum 7% of the delegated main school (11-16) budget. Reserves held going forward will assist in safeguarding the Academy against the longer term unfunded financial impact of Covid 19.

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 32 day deposit account.

The Academy will ensure that approximately 3% of the General Annual Grant is available for immediate access to allow for unexpected short term calls on funds. Unrestricted Reserves at the end of 2019/20 were £184,001 which equates to 2.69% of GAG funding, which is within the school Finance Policy and ESFA tolerance levels. Cash flow is monitored on a daily basis using Lloyds online banking services and cashflow forecasts are prepared monthly to monitor any potential future issues with access to funds.

Principal risks and uncertainties

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

Financial and risk management objectives and policies

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

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted fund. It should be noted that this does not present the Academy with any current liquidity problems.

Fundraising

Funds are raised by the students to support a range of charities. These include national and local charities, some of which have special significance relating to events at school. Funds were raised for the following charities in 2019-20:

- British Heart Foundation
- Great Western Air Ambulance
- NSPCC
- Parkinsons UK

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

The school does not employ or work with professional fundraisers. Fundraising activities include non-uniform days, cake sales, sponsored sporting activities and events at lunchtime.

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

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

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

KATHARINE LADY BERKELEY'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The Academy will continue to strive for the best possible achievement for all groups of pupils and students. Realistic but challenging targets are set for individual pupils, subject departments and the whole school. That said, the clear focus is on the recovery from the national lockdown and the safe and successful return of students to school. The focus areas for 2020/21 are as follows:

- 1) To recover from the impact of lockdown and COVID-19
 - To support the whole community, staff, students and parents, in recovering from COVID-19 and the lockdown.
 - To keep staff and students safe by adopting covid secure practices around the school site.
 - To ensure the well-being of staff and students is of high priority.
 - To adjust schemes of work and teaching practice to adapt to the new way of working.
- 2) Numerical Progress Targets:
Summer 2021
 - GCSE Progress 8 to be at least +0.2.
 - % attaining grade 5 or above in English and mathematics to be at least 60%.
 - % of entries resulting in grades 7 and above to be at least 30%.
 - A level ALPS to be at least grade 3.
- 3) Continue to review key aspects of the KS3 curriculum to ensure the best possible provision within the available resources. This review will include:
 - Review of the Year 9 curriculum to align with the new Year 7 & 8 curriculum.
 - To monitor and review the new aspects of the Year 7 & 8 curriculum.
 - To review the sixth form offer for September 2019 in light of reducing post 16 numbers.
- 4) Effort – focus on mindset; opportunities to recognise effort; rewards review; monitor via Sims and reports.
- 5) Strengthen the sense of community within the school.
- 6) To use the pastoral audit to highlight groups and issues that are cause for concern.
- 7) To ensure that all policies and procedures are fully compliant with the requirements of the General Data Protection Regulation.

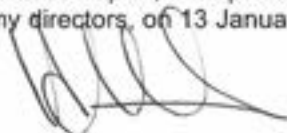
Auditor

On 7 September 2020, Group Audit Services Limited (trading as Baldwins Audit Services) changed its name to Azets Audit Services Limited. The name it practices under is Azets Audit Services and, accordingly, it has signed the Report of the Independent Auditors in its new name.

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 January 2021 and signed on its behalf by:



Dr H Holman
Foundation Governor, Chair

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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. The accounting officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 4 times during the year.

Due to the pandemic less than 6 board meetings were held during the year. However other communication channels remained open throughout this period between the Senior Leadership Team and representatives of the Board to ensure the situation was managed and reviewed in a safe and well thought out manner to minimise any risks.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr H Holman (Foundation Governor, Chair) (Resigned 25 October 2019, reappointed 14 November 2019)	4	4
Mrs M Clarke (Foundation Governor)	4	4
Dr J E Cordwell (Foundation Governor)	4	4
Mr C Jenner (Foundation Governor)	4	4
Mr S Weston (Foundation Governor)	4	4
Mr B Rousseau (Parent Governor)	3	4
Ms S Plant (Co-opted Governor)	4	4
Mr T Rand (Headteacher)	4	4
Mr A Covell (Parent Governor)	4	4
Mr P Adams (Co-opted Governor)	4	4
Mrs S Haynes (Parent Governor) (Resigned 10 November 2019)	1	1
Mr J Blake (Staff Governor) (Resigned 1 April 2020)	2	3
Mr R Shaw (Staff Governor) (Resigned 6 May 2020)	3	3
Ms R Robinson (Foundation Governor) (Resigned 12 October 2020)	3	4
Mrs S Cowan (Parent Governor) (Resigned 13 October 2020)	3	4

The main issue facing the Academy and thus the Board from an Educational perspective was the impact of Covid-19 from March 2020 onwards when national lockdown was enforced but Educational establishments remained open.

The Academy Senior Leadership Team, assisted by staff and the wider community, were able to keep the Academy open throughout the Covid-19 pandemic, providing a constant learning environment both physically and virtually for the whole academic year.

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Governance is kept under constant review. Wide ranging discussions about the structure of the Governing Body took place and it was decided that Health and Safety would be subsumed within the Finance and Staffing Committee (Terms of reference now reflect this). A nominated governor will attend the school-based Health and Safety meetings and report to the Finance and Staffing Committee.

In addition, a Pay and Conditions Committee was established in order to review and approve teacher and Headteacher pay awards as a result of performance management. This committee's members are the Chair and Vice Chair of the governing body and the chairs of the three subcommittees report to the Finance and Staffing Committee.

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr H Holman (Foundation Governor, Chair) (Resigned 25 October 2019, reappointed 14 November 2019)	5	5
Mrs M Clarke (Foundation Governor)	4	5
Mr C Jenner (Foundation Governor)	5	5
Mr T Rand (Headteacher)	5	5
Mr A Covell (Parent Governor)	5	5
Mr P Adams (Co-opted Governor)	4	5

Review of value for money

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

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

- Ensuring the best possible outcomes for students through improved tracking of progress and targeted intervention where appropriate.
- Continued development of the strategy used to support disadvantaged students enabling more effective use of Pupil Premium funding.
- Benchmarking expenditure against that in other schools using data collated by Gloucestershire Association of Headteachers.
- Improving energy efficiency to reduce energy costs, including improving the energy efficiency of the Academy through the installation of more efficient LED lighting systems and solar panels
- Effective planning for anticipated changes in costs and income (including unfunded pay increases and delays to the introduction of the National Funding Formula) in future periods.
- Embarking on the kitchen refurbishment project which is currently in process following a successful CIF bid and is due for completion by Christmas. This will improve efficiency and productivity in the canteen.
- Development of remote learning using MS Teams software to make best use of laptops and other teaching resources.
- Continued on-going development of the site to improve the working environment for staff and students and so improving well-being.

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Katharine Lady Berkeley's School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and staffing committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees appoint an Independent Checking Officer (ICO). This is Mr C Jenner (a Foundation Trustee).

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

On a regular basis, the ICO reports to the Board of Trustees through the Finance and Staffing Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees, and periodically prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. In particular the checks carried out in the current period included a review of staff expenses. Unfortunately due to Covid-19 restrictions, ICO reporting and checking was limited in the second half of the year.

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

Review of effectiveness

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

- the work of the Independent Checking Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the senior managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

KATHARINE LADY BERKELEY'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 13 January 2021 and signed on its behalf by:

Dr H Holman
Foundation Governor, Chair



Mr T Rand
Headteacher



KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Katharine Lady Berkeley's School, I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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 T Rand
Accounting Officer

13 January 2021

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Katharine Lady Berkeley's School for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published 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 accounts for each financial year. Under company law, the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 January 2021 and signed on its behalf by:



Dr H Holman
Foundation Governor, Chair

KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Katharine Lady Berkeley's School for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

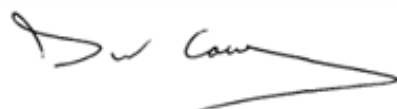
KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



David Cary LLB FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

13 January 2021

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

KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 7 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Katharine Lady Berkeley's School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Katharine Lady Berkeley's School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Katharine Lady Berkeley's School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

KATHARINE LADY BERKELEY'S SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: 13 January 2021

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	3,677	5,000	349,303	357,980	812,286
Charitable activities:						
- Funding for educational operations	4	221,109	7,639,777	-	7,860,886	7,678,592
Other trading activities	5	24,100	-	-	24,100	35,045
Investments	6	1,993	-	-	1,993	903
Total		<u>250,879</u>	<u>7,644,777</u>	<u>349,303</u>	<u>8,244,959</u>	<u>8,526,826</u>
Expenditure on:						
Raising funds	7	11,968	-	-	11,968	19,262
Charitable activities:						
- Educational operations	8	283,516	7,713,049	880,116	8,876,681	8,709,525
Total	7	<u>295,484</u>	<u>7,713,049</u>	<u>880,116</u>	<u>8,888,649</u>	<u>8,728,787</u>
Net expenditure		(44,605)	(68,272)	(530,813)	(643,690)	(201,961)
Transfers between funds	17	-	(105,389)	105,389	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	24	-	(263,000)	-	(263,000)	(632,000)
Net movement in funds		(44,605)	(436,661)	(425,424)	(906,690)	(833,961)
Reconciliation of funds						
Total funds brought forward		228,606	(2,335,961)	30,783,170	28,675,815	29,509,776
Total funds carried forward		184,001	(2,772,622)	30,357,746	27,769,125	28,675,815

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2019 £
Income and endowments from:					
Donations and capital grants	3	1,430	8,721	802,135	812,286
Charitable activities:					
- Funding for educational operations	4	334,679	7,343,913	-	7,678,592
Other trading activities	5	35,045	-	-	35,045
Investments	6	903	-	-	903
Total		372,057	7,352,634	802,135	8,526,826
Expenditure on:					
Raising funds	7	19,262	-	-	19,262
Charitable activities:					
- Educational operations	8	330,260	7,497,667	881,598	8,709,525
Total	7	349,522	7,497,667	881,598	8,728,787
Net income/(expenditure)		22,535	(145,033)	(79,463)	(201,961)
Transfers between funds	17	-	(30,000)	30,000	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	24	-	(632,000)	-	(632,000)
Net movement in funds		22,535	(807,033)	(49,463)	(833,961)
Reconciliation of funds					
Total funds brought forward		206,071	(1,528,928)	30,832,633	29,509,776
Total funds carried forward		228,606	(2,335,961)	30,783,170	28,675,815

KATHARINE LADY BERKELEY'S SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	30,193,457		30,715,331	
Current assets					
Stocks	13	3,341		3,341	
Debtors	14	203,528		333,420	
Cash at bank and in hand		857,244		715,413	
		<u>1,064,113</u>		<u>1,052,174</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(405,445)		(479,690)	
Net current assets			658,668		572,484
Net assets excluding pension liability			<u>30,852,125</u>		<u>31,287,815</u>
Defined benefit pension scheme liability	24	(3,083,000)		(2,612,000)	
Total net assets			<u><u>27,769,125</u></u>		<u><u>28,675,815</u></u>
Funds of the Academy:					
Restricted funds	17				
- Fixed asset funds		30,357,746		30,783,170	
- Restricted income funds		310,378		276,039	
- Pension reserve		(3,083,000)		(2,612,000)	
Total restricted funds			<u>27,585,124</u>		<u>28,447,209</u>
Unrestricted income funds	17		<u>184,001</u>		<u>228,606</u>
Total funds			<u><u>27,769,125</u></u>		<u><u>28,675,815</u></u>

The accounts on pages 23 to 46 were approved by the Trustees and authorised for issue on 13 January 2021 and are signed on their behalf by:



Dr H Holman
Foundation Governor, Chair

Company Number 07696921

KATHARINE LADY BERKELEY'S SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(13,650)		(38,279)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,993		903	
Capital grants from DfE Group		447,389		567,832	
Capital funding received from sponsors and others		64,341		71,876	
Purchase of tangible fixed assets		(358,242)		(599,572)	
Net cash provided by investing activities			155,481		41,039
Net increase in cash and cash equivalents in the reporting period			141,831		2,760
Cash and cash equivalents at beginning of the year			715,413		712,653
Cash and cash equivalents at end of the year			857,244		715,413

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

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

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

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Stock

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

1.11 Taxation

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

1.12 Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.13 Fund accounting

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing certain monies to students, for example 16-19 Bursary funding from ESFA in so far as these are not discretionary in nature.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	286,306	286,306	728,915
Other donations	3,677	67,997	71,674	83,371
	<u>3,677</u>	<u>354,303</u>	<u>357,980</u>	<u>812,286</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,847,645	6,847,645	6,766,391
Other DfE group grants	-	542,034	542,034	224,922
	-	7,389,679	7,389,679	6,991,313
Other government grants				
Local authority grants	-	84,093	84,093	69,653
Special educational projects	-	4,453	4,453	-
	-	88,546	88,546	69,653
Exceptional government funding				
Coronavirus exceptional support	-	36,419	36,419	-
Other funding				
School funds	-	125,083	125,083	278,659
Catering services	198,750	-	198,750	304,690
Other incoming resources	22,359	50	22,409	34,277
	221,109	125,133	346,242	617,626
Total funding	221,109	7,603,358	7,824,467	7,678,592

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £36,419 of free school meals, cleaning and premises costs. These costs are included in notes 7 and 8 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	20,789	-	20,789	29,979
Other income	3,311	-	3,311	5,066
	24,100	-	24,100	35,045

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,993	-	1,993	903

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Allocated support costs	-	11,968	-	11,968	19,262
Academy's educational operations					
- Direct costs	5,810,380	-	448,582	6,258,962	6,177,393
- Allocated support costs	969,509	1,175,071	473,139	2,617,719	2,532,132
	<u>6,779,889</u>	<u>1,187,039</u>	<u>921,721</u>	<u>8,888,649</u>	<u>8,728,787</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	11,495	10,945
- Assurance services other than audit	1,360	1,320
- Other services	1,135	2,030
Operating lease rentals	3,107	23,398
Depreciation of tangible fixed assets	880,116	881,598
Net interest on defined benefit pension liability	49,000	52,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	28,024	6,230,938	6,258,962	6,177,393
Support costs				
Educational operations	255,492	2,362,227	2,617,719	2,532,132
	<u>283,516</u>	<u>8,593,165</u>	<u>8,876,681</u>	<u>8,709,525</u>
			2020 £	2019 £
Analysis of support costs				
Support staff costs			944,540	828,138
Depreciation			880,116	881,598
Technology costs			7,694	8,426

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8	Charitable activities	(Continued)	
	Premises costs	294,955	232,621
	Legal costs	24,546	19,940
	Other support costs	440,899	533,643
	Governance costs	24,969	27,766
		<u>2,617,719</u>	<u>2,532,132</u>

During the year ended 31 August 2020, the Academy Trust incurred £24,546 of Governance costs that are included in legal costs above (2019: £19,940).

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,920,065	4,853,213
Social security costs	477,061	486,111
Pension costs	1,336,359	992,498
Staff costs - employees	<u>6,733,485</u>	<u>6,331,822</u>
Agency staff costs	46,404	80,811
Total staff expenditure	<u>6,779,889</u>	<u>6,412,633</u>

Staff numbers

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

	2020 Number	2019 Number
Teachers	104	104
Administration and support	97	94
Management	5	6
	<u>206</u>	<u>204</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
In the band £60,001 - £70,000	2	4
In the band 70,001 - £80,000	2	2
In the band £90,001 - £100,000	1	-
	<u>5</u>	<u>6</u>

Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy was £557,897 (2019: £649,092).

10 Trustees' remuneration and expenses

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

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

Mr T Rand, Headteacher (appointed 23 April 2019)

- Remuneration £90,000-£95,000 (2019: £30,000-£35,000)
- Employer's pension contributions £20,000-£25,000 (2019: £5,000-£10,000)

Mr A Harris, Headteacher (resigned 23 April 2019)

- Remuneration £N/A (2019: £65,000-£70,000)
- Employer's pension contributions £N/A (2019: £10,000-£15,000)

Mr J Blake, Staff Trustee (resigned 1 April 2020)

- Remuneration £20,000-£25,000 (2019: £30,000-£35,000)
- Employer's pension contributions £5,000-£10,000 (2019: £5,000-£10,000)

Mr R Shaw, Staff Trustee (resigned 6 May 2020)

- Remuneration £35,000-£40,000 (2019: £50,000-£55,000)
- Employer's pension contributions £5,000-£10,000 (2019: £5,000-£10,000)

During the year, no Trustees received any reimbursement of expenses (2019: ENIL).

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

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Insurance for Trustees and officers

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £126 (2019: £189). The cost of this insurance is included in the total insurance cost.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12	Tangible fixed assets	Long leasehold property	Leasehold improvements	Assets under construction	Computer equipment and fittings	Fixtures and fittings	Motor vehicles	Total
		£	£	£	£	£	£	£
	Cost							
	At 1 September 2019	32,201,655	3,411,405	617,901	409,394	411,076	6,533	37,057,964
	Transfer to leasehold improvements	-	617,901	(617,901)	-	-	-	-
	Additions	-	283,543	30,937	19,054	24,708	-	358,242
	At 31 August 2020	32,201,655	4,312,849	30,937	428,448	435,784	6,533	37,416,206
	Depreciation							
	At 1 September 2019	5,205,934	534,181	-	328,130	268,991	5,397	6,342,633
	Charge for the year	644,033	152,910	-	46,295	36,538	340	880,116
	At 31 August 2020	5,849,967	687,091	-	374,425	305,529	5,737	7,222,749
	Net book value							
	At 31 August 2020	26,351,688	3,625,758	30,937	54,023	130,255	796	30,193,457
	At 31 August 2019	26,995,721	2,877,224	617,901	81,264	142,085	1,136	30,715,331

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

(Continued)

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

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

13 Stocks

	2020 £	2019 £
Catering stock	3,341	3,341

14 Debtors

	2020 £	2019 £
VAT recoverable	21,360	65,409
Other debtors	21,090	-
Prepayments and accrued income	161,078	268,011
	<u>203,528</u>	<u>333,420</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	44,778	29,007
Other taxation and social security	112,465	118,122
Other creditors	71,647	31,380
Accruals and deferred income	176,555	301,181
	<u>405,445</u>	<u>479,690</u>

16 Deferred income

	2020 £	2019 £
Deferred income is included within: Creditors due within one year	69,799	57,720

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Deferred income

(Continued)

Deferred income at 1 September 2019	57,720	67,481
Released from previous years	(57,720)	(67,481)
Resources deferred in the year	69,799	57,720
Deferred income at 31 August 2020	69,799	57,720

Income received during the year specific to funding for future periods has been deferred accordingly. At the balance sheet date the academy was holding funds received in advance for educational trips, catering and other revenue grants (2019: educational trips and catering, rates relief and other revenue grants).

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	95,535	6,847,645	(6,675,193)	(105,389)	162,598
Other DfE / ESFA grants	70,159	578,453	(638,765)	-	9,847
Other government grants	50,904	88,546	(66,084)	-	73,366
School fund account	43,210	125,083	(119,957)	-	48,336
Other donations	16,231	5,050	(5,050)	-	16,231
Pension reserve	(2,612,000)	-	(208,000)	(263,000)	(3,083,000)
	<u>(2,335,961)</u>	<u>7,644,777</u>	<u>(7,713,049)</u>	<u>(368,389)</u>	<u>(2,772,622)</u>
Restricted fixed asset funds					
Inherited on conversion	26,998,282	-	(659,213)	-	26,339,069
DfE group capital grants	3,197,912	286,306	(137,159)	18,701	3,365,760
Capital expenditure from GAG	162,668	-	(51,738)	86,688	197,618
Other donations	424,308	62,997	(32,006)	-	455,299
	<u>30,783,170</u>	<u>349,303</u>	<u>(880,116)</u>	<u>105,389</u>	<u>30,357,746</u>
Total restricted funds	<u>28,447,209</u>	<u>7,994,080</u>	<u>(8,593,165)</u>	<u>(263,000)</u>	<u>27,585,124</u>
Unrestricted funds					
General funds	<u>228,606</u>	<u>250,879</u>	<u>(295,484)</u>	<u>-</u>	<u>184,001</u>
Total funds	<u>28,675,815</u>	<u>8,244,959</u>	<u>(8,888,649)</u>	<u>(263,000)</u>	<u>27,769,125</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

The Restricted General Fund included GAG and other grants receivable from the Education & Skills Funding Agency and the Department for Education 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 Education & Skills Funding Agency and the Department for Education and other grant funders in respect of tangible fixed assets held for Academy use. Transfers between the Unrestricted fund, the Restricted general fund and the respective Restricted fixed asset fund relate to asset purchases from these funds during the year.

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

The academy trust is not subject to GAG carried forward limits.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	144,249	6,766,391	(6,785,105)	(30,000)	95,535
Other DfE / ESFA grants	63,976	224,922	(218,739)	-	70,159
Other government grants	46,515	69,653	(65,264)	-	50,904
School fund account	41,344	278,659	(276,793)	-	43,210
Other donations	18,988	13,009	(15,766)	-	16,231
Pension reserve	(1,844,000)	-	(136,000)	(632,000)	(2,612,000)
	<u>(1,528,928)</u>	<u>7,352,634</u>	<u>(7,497,667)</u>	<u>(662,000)</u>	<u>(2,335,961)</u>
Restricted fixed asset funds					
Transfer on conversion	27,661,359	-	(663,077)	-	26,998,282
DfE group capital grants	2,586,144	728,915	(117,147)	-	3,197,912
Capital expenditure from GAG	206,061	-	(73,393)	30,000	162,668
Other donations	379,069	73,220	(27,981)	-	424,308
	<u>30,832,633</u>	<u>802,135</u>	<u>(881,598)</u>	<u>30,000</u>	<u>30,783,170</u>
Total restricted funds	<u>29,303,705</u>	<u>8,154,769</u>	<u>(8,379,265)</u>	<u>(632,000)</u>	<u>28,447,209</u>
Unrestricted funds					
General funds	<u>206,071</u>	<u>372,057</u>	<u>(349,522)</u>	<u>-</u>	<u>228,606</u>
Total funds	<u>29,509,776</u>	<u>8,526,826</u>	<u>(8,728,787)</u>	<u>(632,000)</u>	<u>28,675,815</u>

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	30,193,457	30,193,457
Current assets	196,864	702,960	164,289	1,064,113
Creditors falling due within one year	(12,863)	(392,582)	-	(405,445)
Defined benefit pension liability	-	(3,083,000)	-	(3,083,000)
Total net assets	184,001	(2,772,622)	30,357,746	27,769,125

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	30,715,331	30,715,331
Current assets	239,105	521,896	291,173	1,052,174
Creditors falling due within one year	(10,499)	(245,857)	(223,334)	(479,690)
Defined benefit pension liability	-	(2,612,000)	-	(2,612,000)
Total net assets	228,606	(2,335,961)	30,783,170	28,675,815

19 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	448,277	207,992

20 Commitments under operating leases

At 31 August 2020 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	17,123	22,022
Amounts due in two and five years	16,140	20,285
	33,263	42,307

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(643,690)	(201,961)
Adjusted for:		
Capital grants from DfE and other capital income	(349,303)	(802,135)
Investment income receivable	(1,993)	(903)
Defined benefit pension costs less contributions payable	159,000	84,000
Defined benefit pension scheme finance cost	49,000	52,000
Depreciation of tangible fixed assets	880,116	881,598
(Increase) in debtors	(32,535)	(23,681)
(Decrease) in creditors	(74,245)	(27,197)
Net cash used in operating activities	(13,650)	(38,279)

22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	715,413	141,831	857,244

23 Members' liability

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

24 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £32,622 (2019: £31,380) were payable to the LGPS scheme at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

(Continued)

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £851,048 (2019: £602,503).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.3% for employers and 5.5-12.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	328,000	308,000
Employees' contributions	64,000	61,000
Total contributions	392,000	369,000

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.3
Commutation of pension lump sums pre-April 2008	35.0	35.0
Commutation of pension lump sums post-April 2008	68.0	68.0

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

	2020 Years	2019 Years
Retiring today		
- Males	21.7	21.5
- Females	23.9	23.7
Retiring in 20 years		
- Males	22.4	22.3
- Females	25.3	25.0

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

	2020 £	2019 £
Discount rate + 0.1%	(135,400)	(135,400)
Discount rate -0.1%	135,400	135,400
Mortality assumption + 1 year	290,440	257,480
Mortality assumption - 1 year	(290,440)	(257,480)
CPI rate + 0.1%	133,600	117,400
CPI rate - 0.1%	(133,600)	(117,400)

The Academy's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	2,758,000	2,486,000
Debt instruments	961,000	956,000
Cash and other liquid assets	125,000	77,000
Property	334,000	306,000
Total market value of assets	4,178,000	3,825,000

The actual return on scheme assets was £76,000 (2019: £224,000).

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	487,000	382,000
Past service cost	-	10,000
Interest income	(71,000)	(97,000)
Interest cost	120,000	149,000
Total operating charge	536,000	444,000
Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	6,437,000	5,165,000
Current service cost	487,000	382,000
Interest cost	120,000	149,000
Employee contributions	64,000	61,000
Actuarial loss	268,000	759,000
Benefits paid	(115,000)	(89,000)
Past service cost	-	10,000
At 31 August 2020	7,261,000	6,437,000
Changes in the fair value of the Academy's share of scheme assets	2020 £	2019 £
At 1 September 2019	3,825,000	3,321,000
Interest income	71,000	97,000
Actuarial gain	5,000	127,000
Employer contributions	328,000	308,000
Employee contributions	64,000	61,000
Benefits paid	(115,000)	(89,000)
At 31 August 2020	4,178,000	3,825,000

KATHARINE LADY BERKELEY'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

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

During the year, Katharine Lady Berkeley's School received £10,370 from Sport Wotton Limited, a joint venture in which the Academy has an interest (2019: £10,979).

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