

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013



**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013

Trustees

M Anthony (resigned 31 October 2012)¹
P Bradly (resigned 24 May 2013)²
P Clayton¹
J D'Arcy
M Evans
T Foster
P Furley (resigned 10 January 2013)²
J Gilbert, Chair^{1 2}
R Green^{1 2}
S Holden, Vice Chair²
M Jackson²
D Jarvis (resigned 10 December 2012)^{1,2}
N Riglar^{1 2}
J Thompson^{1,2}
J Varley²
S Wilson, Headteacher^{1 2}
J Bonham (appointed 5 February 2013)
J Parker (appointed 5 February 2013)¹

¹ Finance and audit Committee

² Member

Company registered number 07692339

Principal and Registered office Cainscross Road
Stroud
Gloucestershire
GL5 4HE

Company secretary E Gray

Senior Leadership Team

S Wilson, Headteacher
J Gannon, Deputy Headteacher
T Byford, Assistant Headteacher
J Dale, Assistant Headteacher
I Lovelady, Assistant Headteacher
R Reid, Assistant Headteacher
E Gray, Business Manager

Independent auditors Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers HSBC Bank Plc
4 King Street
Stroud
Gloucestershire
GL5 3DS

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust, incorporated on 4 July 2011 and opened as an Academy on 1 August 2011, is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees act as the Trustees for the charitable activities of Marling School and are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Marling School.

Details of the Trustees who served throughout the year, except as noted, 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 Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2 million on any one claim.

Principal Activities

The principal activity is to advance education for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum.

TRUSTEES

Method of recruitment and appointment or election of Trustees

At conversion on 1 August 2011 the Trustees appointed all those Governors that served the predecessor school that wished to be appointed, to be Trustees of the newly formed School. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The School shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 10 Trustees who are appointed by Members,
- A minimum of 2 Parent Trustees who are elected by Parents of registered pupils at the Academy,
- Any Staff Trustees appointed by Members provided that the total number of Trustees who are employees of the School (including the Headteacher) do not exceed one third of the total number of Trustees, and
- The Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustees, any Trustees can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the School's development.

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees as follows,

- Finance & Audit Committee - this meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. The Build Committee is a sub-committee meeting at least once per month and as necessary to monitor and report of the capital building taking place. This sub-committee also reports to the Learning Environment Committee.
- Student Provision Committee - this meets at least five times a year to monitor, evaluate and review School policy, practice and performance in relation to curriculum planning, communications, target setting, teaching and learning, assessment, examinations and all pastoral issues.
- Admissions Committee which meets twice a year and additionally as required to deal with all matters relating to admissions.
- Learning Environment Committee meets at least five times a year looking at premises and site issues. Also monitors Health & Safety and IT Network development.
- Personnel Committee meets at least four times a year and additionally as required to deal with all matters relating to staffing structure, staff issues and the health, safety and welfare of staff. The Pay and Conditions committee is a sub-committee and meets twice a year to consider teaching staff and support staff salaries.

The following decisions are reserved to the Board of Trustees, to consider any proposals for changes to the status or constitution of the School and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees.

The Trustees are responsible for setting general policy, adopting a annual School Improvement Plan and budget, approving the statutory accounts, monitoring the School by the use of budgets and other data, and making major decisions about the direction of the School, capital expenditure and the staff structure.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the School to the Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteachers (4) and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance. The Headteacher is responsible for the appointment of staff, appointment panels for teaching posts of Head of Department and above include a Trustee.

The Headteacher is the Accounting Officer.

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Risk management

The Trustees have implemented a system to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of School grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. A Risk Register is maintained and reviewed on a regular basis.

The School has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Connected Organisations, including Related Party Relationships

The Stroud and Rodborough Educational Charity is a related party as landowner of some of the land and buildings on the school site.

The School has strong collaborative links with Stroud High School for Girls in managing and teaching a joint sixth form, sharing the ownership of land and sharing buildings and facilities.

The School is supported by the Marling School Parent Teacher Association.

The Marling School Trust has common trustees with the school and the charity's objective is to raise funds for the school. During the year the school received an unrestricted donation of £15,000.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the School is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, managing and developing a school, offering a broad and balanced curriculum.

The aims of the School during the year ended 31 August 2013 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils,
- to provide a broad and balanced curriculum, including extra-curricular activities,
- to develop students as more effective learners,
- to enhance the tertiary provision and outcomes,
- to develop the School site so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review,
- to maximise the number of students who achieve 5 A*-C GCSE and 5 and 8 A*-A GCSE grades including English and Maths,
- to provide value for money for the funds expended,
- to develop greater coherence, clarity and effectiveness in school systems,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce,
- to develop the School's capacity to manage change, and
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness.

**MARLING SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Improvement Plan which is available from the School Office. Improvements identified for the year 2013/14 include

- **Raising achievement through consistently high standards of teaching and learning** To include securing high achievement for all, develop a whole school approach to literacy, develop the use of assessment to support learning and enhance teaching, embed the effective use of differentiation, share good practice creatively and effectively promoting outstanding teaching and learning across the school, promote collaboration with Stroud High School to improve outcomes in the Sixth Form
- **Improving outcomes with appropriate provision, guidance and support for learners** To include improving the monitoring of key groups of students including their achievement, establish links with more culturally diverse schools in the UK, support SMSC, develop the tutor programme to support literacy and SMSC increasing the impact of the tutor on student progress, develop students ability to learn independently, develop a guidance programme from Y7-Y13 to support post 16 and post 18 aspirations, implement Behaviour for Learning system to promote consistency
- **Raising aspirations through challenge, participation and leadership** To include providing training opportunities for student leadership from Y7 to Y13, to embed a house system that promotes challenge, participation and leadership, to develop in-house training opportunities for staff, increase impact of Trustees through self-evaluation, improvement planning and effective oversight and to implement new systems to gather more extensive parent, student and staff voice
- **Creating an environment, both real and virtual, that enhances learning and promotes partnership** To include development of the physical environment to support aspirations, increasing use of the VLE and development of the school website, develop a brand identity that is used consistently to promote the school, extend and promote links with professional organisations, businesses, university and industry, encourage equality and meritocracy in all aspects of school life

Public Benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the School's aims and objectives and in planning its future activities.

The School aims to advance for the public benefit, education in Stroud and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development of schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of STEM (Science, Technology, Engineering and Mathematics) subjects.

The School provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As a School we have a duty to support other schools. Our named school as an Academy is Amberley Parochial Primary School. We offer support through use of our premises and specialist skills in STEM subjects and Physical Education. We also work closely, sharing expertise with our partner school Stroud High School for Girls.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The School has recently completed its second year of operation. Student recruitment is good and our new Year 7 is PAN (pupil admission numbers) plus 2 (122). Years 7 to 11 are full with the exception of Year 10 where two places remain after the departure of two students. The admissions above PAN this year are all a result of independent appeals and the consequence of this is that some groups in KS3 operate with up to 32 students except in IT, Science and DT. The application window for entry in Year 7 in 2014 closes on September 28th and numbers of applications are rising steadily. Attendance and feedback at open events have been very positive and we anticipate that there will be in excess of 200 boys sitting the test at Marling School with additional students sitting the test at other schools and sharing the results with Marling.

Recruitment into the 6th form has been good, exceeding numbers of 2011 but not as high as last year. We currently have 129 in Y12, including 21 external students and 132 in Y13. This gives us our largest 6th form to date of 261 students. An inevitable consequence of increasing 6th form numbers is an increase in class sizes, if numbers continue to rise next year we will need to consider increasing the number of groups again with consequent staff increases. Average class size varies from subject to subject but in Year 12 it is just over 15 and it only exceeds 20 in English Literature, Geography, Maths and Photography. In Year 13 group sizes exceed 20 in English Literature, Maths, Geography with an average group size of just under 15 across all subjects.

Results this summer were very positive. At GCSE, the number of A*-A grades remained strong at 47%, with 52% of students achieving 5 or more A*-A grades. There were many stories of individual success with 77 students achieving 10 or more A* to B grades and 21 students achieving 10 or more A*-A grades. All students achieved a C grade or higher in both English and Mathematics with 97% making 3 or more levels of progress in English and 92% in Mathematics. 108 boys stayed on in the 6th form and of those leaving none left to join Pates Grammar School.

At A level the year group exceeded the school previous record with A* grades achieving 11% and 32% A*-A grades. 83% of grades were at A* to C level and the pass rate was 99%. This resulted in the highest average points score per entry achieved by the school and represents very good value added measured by ALPS, with our performance placed between the 60th and 74th percentile of schools nationally. Year 12 also performed well in their AS exams achieving our best ever results with 56% A-B grades. This represents outstanding value added measured by ALPS putting the school in the 90th to 95th percentile nationally. 80 students have taken up university places, 50% of these at Russell Group including 5 at Oxbridge, 3 at Imperial College and 2 at UCL.

To ensure that standards are continually assessed, the School operates a programme of lesson observations as part of performance appraisal (PA) and oversight. Additionally there are many peer observations that take place to support staff professional development. The cycle of lesson observation completes in October but to date lesson observations for the PA cycle 11/12 to 12/13 shows consolidation of improvements in lesson grades from 1.74 (2010/11) to 1.54 (2011/12) to 1.57 (2012/13) representing a move from good (2) towards outstanding (1) teaching. Within this cycle the senior team observed lessons with a consultant and trained Ofsted inspector and all judgements were agreed indicating an accurate calibration.

During the year the school has continued to improve facilities adding two new science laboratories funded from the Academies Capital Maintenance Fund (ACMF). Funding was secured from the ACMF in April 2013 to redevelop a ten classroom block into a new modern block containing nine classrooms, refectory and offices.

Continued professional development of staff remains an important part of the School's work. Three staff trained on the Outstanding Teacher Programme (OTP) have led INSET during the year with other staff contributing as well. A further three staff have been trained as OTPs and will be co-leading this year's INSET work. One member of SLT is enrolled on NPQH and two members of the middle leadership team completed an NCSL Aspirant Leaders programme. We are leading schools in the Stroud District partnership on the delivery of an Aspirant Senior Leaders programme that will run alongside an Aspirant Middle Leaders programme this year.

**MARLING SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, note 1.

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the amount of carry forward is restricted. In period under review there was no GAG income was carried forward.

FINANCIAL REVIEW

Financial Review

Most of the School's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the School's accounting policies.

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Trustees have adopted a Responsible Officer Policy and appointed Mr Holden, a School trustee but not a member of the Finance Committee, to undertake a programme of internal checks on financial controls. During the year, the Trustees received reports from the Responsible Officer which contained no matters of significance.

Financial and Risk Management Objectives and Policies

The School has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the School. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the School is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for pupil premium students and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. The School is also adversely affected by being situated in one of the lowest funded education authorities which continues to affect its GAG and LACSEG funding.

The Trustees examine the financial health of the School formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the School had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the School is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**MARLING SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Principal Risks and Uncertainties

The principal risks and uncertainties facing the School are as follows

Financial - the School has considerable reliance on continued Government funding through the EFA. In the year 96% (2012 - 94%) of the School's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks

Reputational - the ongoing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline

Staffing - the success of the School is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning

Fraud and mismanagement of funds - The School has appointed a Responsible Officer to carry out checks on financial systems and records as required by the School Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area

The School has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis

Reserves Policy

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the School, the uncertainty over future income streams and other key risks identified during the risk review

The Trustees have determined that the appropriate level of free cash reserves should be approximately £200,000-£300,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The School's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £213,637

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

PLANS FOR FUTURE PERIODS

The School will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The School will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The School will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Following the notification of a successful capital funding bid, the School will commence construction of its new nine classroom/dining block. The Board of Trustees plans to utilise some of the existing reserves and some of the surplus from 2013/14 towards this project. The project is due for completion in March 2015.

Full details of our plans for the future are given in our School Improvement Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The School and its Trustees do not act as the Custodian Trustees of any other Charity.

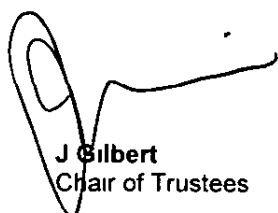
AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the board of trustees on 10 December 2013 and signed on its behalf by



J Gilbert
Chair of Trustees



Dr S Wilson
Accounting Officer

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Marling 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 Marling School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Anthony	0	1
P Bradly	5	6
P Clayton	5	6
J D'Arcy	4	6
M Evans	5	6
T Foster	5	6
P Furley	1	3
J Gilbert, Chair	6	6
R Green	5	6
S Holden, Vice Chair	5	6
M Jackson	4	6
D Jarvis	0	1
N Riglar	5	6
J Thompson	5	6
J Varley	6	6
S Wilson, Headteacher	6	6
J Bonham	3	3
J Parker	3	3

The Finance and Audit Committee is a sub-committee of the main board of Trustees. The purpose of the Finance and Audit Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance and Audit Committee has formally met 5 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Gilbert	3	5
M Anthony	1	1
P Clayton	3	5
R Green	5	5
D Jarvis	0	1
N Riglar, Chair of Finance	5	5
J Thompson	2	5
S Wilson, Headteacher	5	5
J Parker	3	3

**MARLING SCHOOL
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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Marling School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the School 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 School's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The School'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 of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed S Holden, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**MARLING SCHOOL
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GOVERNANCE STATEMENT (continued)


REVIEW OF EFFECTIVENESS

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

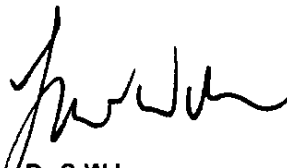
- the work of the Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 10 December 2013 and signed on their behalf, by



J Gilbert
Chair of Trustees



Dr S Wilson
Accounting Officer

MARLING SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Marling School I have considered my responsibility to notify the School board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Dr S Wilson
Accounting Officer

Date 10 December 2013

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

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

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

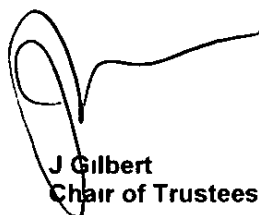
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by



J Gilbert
Chair of Trustees

Date 10 December 2013

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLING SCHOOL

We have audited the financial statements of Marling School for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the members 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 members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

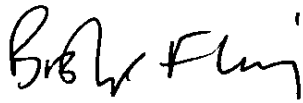
**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLING SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Joseph Scarfe FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol

BS1 4NT
Date 13/12/13

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO MARLING SCHOOL
AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marling School during the year 1 September 2012 to 31 August 2013 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 Marling School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Marling School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Marling School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MARLING SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING AUDITOR**

The Accounting Officer is responsible, under the requirements of Marling School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the School complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO MARLING SCHOOL
AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Joseph Scarfe FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date 13/12/13

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Transfer on conversion	3	-	-	-	-	9,049,792
Other voluntary income	3	152,045	-	-	152,045	114,993
Activities for generating funds	4	37,659	-	-	37,659	50,822
Investment income	5	630	-	-	630	1,558
Incoming resources from charitable activities	6	14,297	3,872,192	1,061,072	4,947,561	4,440,429
TOTAL INCOMING RESOURCES		204,631	3,872,192	1,061,072	5,137,895	13,657,594
RESOURCES EXPENDED						
Charitable activities		154,444	3,864,681	169,001	4,188,126	4,416,244
Governance costs	8	1,750	18,934	-	20,684	15,532
TOTAL RESOURCES EXPENDED	11	156,194	3,883,615	169,001	4,208,810	4,431,776
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		48,437	(11,423)	892,071	929,085	9,225,818
Actuarial gains and losses on defined benefit pension schemes		-	17,000	-	17,000	(48,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		48,437	5,577	892,071	946,085	9,177,818
Total funds at 1 September 2012		165,200	(409,336)	9,421,954	9,177,818	-
TOTAL FUNDS AT 31 AUGUST 2013		213,637	(403,759)	10,314,025	10,123,903	9,177,818

All of the School's activities are classed as continuing

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 22 to 41 form part of these financial statements

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER. 07692339

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	17		9,961,372		9,306,194
CURRENT ASSETS					
Debtors	18	122,720		79,587	
Cash at bank and in hand		719,703		567,074	
		<u>842,423</u>		<u>646,661</u>	
CREDITORS amounts falling due within one year	19	(226,892)		(319,037)	
NET CURRENT ASSETS			615,531		327,624
TOTAL ASSETS LESS CURRENT LIABILITIES			10,576,903		9,633,818
Defined benefit pension scheme liability	26	(453,000)		(456,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>10,123,903</u>		<u>9,177,818</u>
FUNDS OF THE SCHOOL					
Restricted funds					
General funds	20	49,241		46,664	
Fixed asset funds	20	10,314,025		9,421,954	
		<u>10,363,266</u>		<u>9,468,618</u>	
Restricted funds excluding pension liability					
Pension reserve		(453,000)		(456,000)	
Total restricted funds			9,910,266		9,012,618
Unrestricted funds	20		213,637		165,200
TOTAL FUNDS			<u>10,123,903</u>		<u>9,177,818</u>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2013 and are signed on their behalf, by


J Gilbert
Chair of Trustees


Dr S Wilson
Accounting Officer

The notes on pages 22 to 41 form part of these financial statements

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	(60,769)	413,152
Returns on investments and servicing of finance	23	630	1,558
Capital expenditure and financial investment	23	212,768	109,897
Cash transferred on conversion to an academy trust		-	42,467
INCREASE IN CASH IN THE YEAR		152,629	567,074

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase in cash in the year	152,629	567,074
MOVEMENT IN NET FUNDS IN THE PERIOD	152,629	567,074
Net funds at 1 September 2012	567,074	-
NET FUNDS AT 31 AUGUST 2013	719,703	567,074

The notes on pages 22 to 41 form part of these financial statements

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The School is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £10 per member of the School.

1.3 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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

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

Due to a change in the Accounts Direction 2013 Capital Grants are now treated as 'Funding for Academy's Educational Operations' rather than 'Other voluntary income'. As a result the comparatives have been restated, with £115,760 been transferred from Other voluntary income to Funding for Academy's Educational Operations.

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

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

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

1.5 RESOURCES EXPENDED

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

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

Charitable activities are costs incurred in the School's educational operations.

Governance costs include the costs attributable to the School's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.6 GOING CONCERN

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

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long Term Leasehold Property	-	2% straight line
Plant and machinery	-	15% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

1.8 TAXATION

The School 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 School 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.

1.9 PENSIONS

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the School was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The School has not exceeded these limits during the year ended 31 August 2013.

3 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Transfer on conversion	-	-	-	9,049,792
Donations	152,045	-	152,045	114,993
Voluntary income	152,045	-	152,045	9,164,785

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Lettings	37,659	-	37,659	50,822

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

5. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Bank interest	630	-	630	1,558

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Education	14,297	4,933,264	4,947,561	4,440,429

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (continued)

FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
DfE/EFA grant				
Capital Grants	-	1,061,072	1,061,072	157,453
General Annual Grant	-	3,805,085	3,805,085	4,153,852
Start up Grants	-	-	-	25,000
Other Dfe/EFA grants	3,100	41,509	44,609	23,933
	<u>3,100</u>	<u>4,907,666</u>	<u>4,910,766</u>	<u>4,360,238</u>
Other government grants				
Special Educational Needs	-	12,488	12,488	12,676
	<u>-</u>	<u>12,488</u>	<u>12,488</u>	<u>12,676</u>
Other funding				
Internal catering income	159	-	159	1,886
Income for hosting trainee teachers	150	-	150	663
Other income and grants received	10,888	13,110	23,998	64,966
	<u>11,197</u>	<u>13,110</u>	<u>24,307</u>	<u>67,515</u>
	<u>14,297</u>	<u>4,933,264</u>	<u>4,947,561</u>	<u>4,440,429</u>

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Education	<u>154,444</u>	<u>4,033,682</u>	<u>4,188,126</u>	<u>4,416,244</u>

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Auditors' remuneration	-	7,500	7,500	6,750
Auditors' non audit costs	1,750	2,950	4,700	1,350
Legal and Professional	-	1,014	1,014	-
Other costs	-	874	874	776
Governance wages and salaries	-	5,577	5,577	6,439
Governance National Insurance	-	219	219	84
Governance pension costs	-	800	800	133
	<u>1,750</u>	<u>18,934</u>	<u>20,684</u>	<u>15,532</u>

9. DIRECT COSTS

	Education £	Total 2013 £	14 months to 31 August 2012 £
Pension finance costs	1,530	1,530	1,800
Educational supplies	180,400	180,400	143,959
Examination fees	85,888	85,888	82,121
Other costs	-	-	18,168
Supply teachers	27,180	27,180	3,753
Wages and salaries	2,109,720	2,109,720	2,220,864
National insurance	170,714	170,714	177,175
Pension cost	287,459	287,459	302,439
	<u>2,862,891</u>	<u>2,862,891</u>	<u>2,950,279</u>

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

10. SUPPORT COSTS

	Education £	Total 2013 £	14 months to 31 August 2012 £
Pension finance costs	15,470	15,470	18,200
Educational supplies	1,515	1,515	37,732
Staff development	18,142	18,142	15,090
Recruitment and other staff costs	9,270	9,270	17,046
Maintenance of premises and equipment	79,973	79,973	134,820
Cleaning	9,578	9,578	11,179
Rent and rates	23,927	23,927	26,239
Heat and light	94,388	94,388	78,524
Insurance	46,722	46,722	41,796
Security and transport	11,101	11,101	13,679
Catering	34,128	34,128	27,309
Technology costs	66,832	66,832	81,191
Office overheads	73,832	73,832	111,124
Legal and professional	6,253	6,253	34,484
Bank interest and charges	223	223	-
Wages and salaries	530,426	530,426	546,036
National insurance	34,016	34,016	35,765
Pension cost	76,313	76,313	68,029
Depreciation	193,126	193,126	167,723
	<u>1,325,235</u>	<u>1,325,235</u>	<u>1,465,966</u>

11 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	14 months to 31 August 2012 £
Education	3,208,648	174,615	804,863	4,188,126	4,416,244
Governance	6,596	-	14,088	20,684	15,532
	<u>3,215,244</u>	<u>174,615</u>	<u>818,951</u>	<u>4,208,810</u>	<u>4,431,776</u>

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	14 months to 31 August 2012 £
Education	<u>2,862,891</u>	<u>1,325,235</u>	<u>4,188,126</u>	<u>4,416,244</u>

MARLING SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

13 NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2013 £	14 months to 31 August 2012 £
Depreciation of tangible fixed assets - owned by the charity	193,126	167,723
Auditors' remuneration	7,500	6,750
Auditors' remuneration - non-audit	4,700	1,350
Operating leases	19,240	18,423
	<u>224,566</u>	<u>194,246</u>

14 STAFF COSTS

Staff costs were as follows

	2013 £	14 months to 31 August 2012 £
Wages and salaries	2,645,723	2,773,339
Social security costs	204,949	213,024
Other pension costs (Note 26)	364,572	370,601
	<u>3,215,244</u>	<u>3,356,964</u>

The average number of persons (including the senior leadership team) employed by the School during the year expressed as full time equivalents was as follows

	2013 No.	2012 No
Leadership team	7	7
Teachers	45	43
Support	32	31
	<u>84</u>	<u>81</u>

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

	2013 No.	2012 No
In the band £60,001 - £70,000	1	2
In the band £80,001 - £90,000	1	1
	<u>2</u>	<u>3</u>

The above employees participated in the Teachers' Pension Scheme Annual equivalent pension contributions during the period ended 31 August 2013 for these staff members amounted to £20,523 (2012 £30,374)

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15. TRUSTEES

During the year retirement benefits were accruing to 3 Trustees (2012 5) in respect of defined contribution pension schemes

Of the Trustees, only the Headteacher and staff Trustees received remuneration which was in respect of services they provide undertaking the roles of Headteacher or staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the School in respect of their role as Trustees. The value of staff Trustees remuneration and pension contributions in respect of defined pension schemes over the year fell into £5,000 bandings as follows: S Wilson, the Headteacher, £95,000- £100,000 (2012 £100,000 - £105,000), P Bradly, Staff Trustee, £25,000 - £30,000 (2012 £25,000- £30,000) and J D'Arcy £30,000 - £35,000 (2012 £20,000- £25,000). The comparatives are for a 13 month period from conversion.

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £895 (2012 £895).

The cost of this insurance is included in the total insurance cost.

17. TANGIBLE FIXED ASSETS

	Freehold property £	Long Term Leasehold Property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 September 2012	2,539,438	6,865,887	13,041	10,810	44,741	9,473,917
Additions	642,841	86,353	13,970	35,603	69,537	848,304
At 31 August 2013	3,182,279	6,952,240	27,011	46,413	114,278	10,322,221
DEPRECIATION						
At 1 September 2012	41,008	110,872	1,956	2,702	11,185	167,723
Charge for the year	41,008	110,872	4,052	11,220	25,974	193,126
At 31 August 2013	82,016	221,744	6,008	13,922	37,159	360,849
NET BOOK VALUE						
At 31 August 2013	3,100,263	6,730,496	21,003	32,491	77,119	9,961,372
At 31 August 2012	2,498,430	6,755,015	11,085	8,108	33,556	9,306,194

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18. DEBTORS

	2013 £	2012 £
Other debtors	62,040	23,000
Prepayments and accrued income	60,680	56,587
	<u>122,720</u>	<u>79,587</u>

19. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	78,511	204,984
Other creditors	94,497	49,420
Accruals and deferred income	53,884	64,633
	<u>226,892</u>	<u>319,037</u>

DEFERRED INCOME

Deferred income at 1 September 2012	22,327
Resources deferred during the period	5,290
Amounts released from previous years	(22,327)
Deferred income at 31 August 2013	<u>5,290</u>

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General funds	<u>165,200</u>	<u>204,631</u>	<u>(156,194)</u>	<u>-</u>	<u>213,637</u>

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20 STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	11,522	3,757,277	(3,768,799)	-	-
Special Education Needs (SEN)	-	12,488	(12,488)	-	-
Pupil premium	-	18,898	(15,990)	-	2,908
16-19 Bursary grant	10,142	22,611	(11,420)	-	21,333
Council canal works income	25,000	-	-	-	25,000
Other restricted funds	-	60,918	(60,918)	-	-
Pension reserve	(456,000)	-	(14,000)	17,000	(453,000)
	<u>(409,336)</u>	<u>3,872,192</u>	<u>(3,883,615)</u>	<u>17,000</u>	<u>(403,759)</u>

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	9,253,445	-	(151,880)	-	9,101,565
Fixed assets purchased from GAG and other restricted funds	5,863	-	(1,466)	-	4,397
DfE/EFA Capital grants	13,660	18,344	(7,681)	-	24,323
Local Authority Capital grants	22,014	-	(5,283)	-	16,731
Capital maintenance grant - science block	115,760	521,040	-	-	636,800
Capital maintenance grant - long corridor	-	521,688	-	-	521,688
Other restricted fixed assets funds	11,212	-	(2,691)	-	8,521
	<u>9,421,954</u>	<u>1,061,072</u>	<u>(169,001)</u>	<u>-</u>	<u>10,314,025</u>
Total restricted funds	<u>9,012,618</u>	<u>4,933,264</u>	<u>(4,052,616)</u>	<u>17,000</u>	<u>9,910,266</u>
Total of funds	<u>9,177,818</u>	<u>5,137,895</u>	<u>(4,208,810)</u>	<u>17,000</u>	<u>10,123,903</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) during the period in order to fund the continuing activities of the school

Special Education Needs (SEN) funding is received from the EFA to cater for pupils with learning difficulties and other disabilities

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils

16-19 Bursary is funding received from the EFA to support students at sixth form. The trustees are currently assessing the process of distributing this funding and anticipate a significant up take during the coming year

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20. STATEMENT OF FUNDS (continued)

Council canal works income represents the amount received from Stroud District Council for the replacement of the School's bridge, that was removed during the Council's canal works

Other restricted funds represents amounts received from Gloucestershire County Council and the EFA, it includes income under the following initiatives, Rates relief, Insurance relief, PE Teacher release funding and Golden Hello

Pension reserve represents the School's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The School is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Gloucestershire County Council on conversion to an Academy

Fixed assets purchased from GAG represent amounts spent on fixed assets from the GAG funding received from the EFA

DfE/EFA Capital grants represents devolved capital funding received for the period

Capital Maintenance grant represents funding received from the Academies Capital Maintenance Fund

Other restricted fixed asset funds represents capital grants that have been received from associations in Gloucestershire

Under the funding agreement with the Secretary of State, the School was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	165,200	204,631	(156,194)	-	213,637
Restricted funds	(409,336)	3,872,192	(3,883,615)	17,000	(403,759)
Restricted fixed asset funds	9,421,954	1,061,072	(169,001)	-	10,314,025
	<u>9,177,818</u>	<u>5,137,895</u>	<u>(4,208,810)</u>	<u>17,000</u>	<u>10,123,903</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	14 months to 31 August 2012 £
Tangible fixed assets	82,682	-	9,878,690	9,961,372	9,306,194
Current assets	175,314	231,774	435,335	842,423	646,661
Creditors due within one year	(44,359)	(182,533)	-	(226,892)	(319,037)
Provisions for liabilities and charges	-	(453,000)	-	(453,000)	(456,000)
	<u>213,637</u>	<u>(403,759)</u>	<u>10,314,025</u>	<u>10,123,903</u>	<u>9,177,818</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources	929,085	9,225,818
Returns on investments and servicing of finance	(630)	(1,558)
Net assets transferred on conversion	-	(9,049,792)
Depreciation of tangible fixed assets	193,126	167,723
Capital grants from DfE	(1,061,072)	(178,489)
Increase in debtors	(43,133)	(79,587)
(Decrease)/increase in creditors	(92,145)	319,037
Defined benefit pension scheme adjustments	14,000	10,000
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>(60,769)</u>	<u>413,152</u>

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

	2013 £	2012 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>630</u>	<u>1,558</u>
	2013 £	2012 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(848,304)	(68,592)
Capital grants from DfE	1,061,072	178,489
NET CASH INFLOW FROM CAPITAL EXPENDITURE	<u>212,768</u>	<u>109,897</u>

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24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	567,074	152,629	-	719,703
NET FUNDS	567,074	152,629	-	719,703

25. CAPITAL COMMITMENTS

At 31 August 2013 the School had capital commitments as follows

	2013 £	2012 £
Contracted for but not provided in these financial statements	50,500	-

During the year the Academy was successful in securing funding of £3.7 million to rebuild a new nine classrooms/dining block. At the year end £50,500 was committed for professional fees in relation to this project.

26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements

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26. PENSION COMMITMENTS (continued)

governed by the above Act

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth was assumed to be 1.5% The assumed gross rate of return was 6.5% From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below Scheme valuations therefore remain suspended The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015

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

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

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26. PENSION COMMITMENTS (continued)

year protection

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £108,000, of which employer's contributions totalled £84,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 21% for employers and 6% for employees.

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

The amounts recognised in the Balance sheet are as follows

	2013 £	2012 £
Present value of funded obligations	(899,000)	(743,000)
Fair value of scheme assets	446,000	287,000
Net liability	<u>(453,000)</u>	<u>(456,000)</u>

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

	2013 £	2012 £
Current service cost	(81,000)	(71,000)
Interest on obligation	(33,000)	(35,000)
Expected return on scheme assets	16,000	15,000
Gains on curtailments and settlements	-	(15,000)
Total	<u>(98,000)</u>	<u>(106,000)</u>

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26 PENSION COMMITMENTS (continued)

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

	2013	2012
	£	£
Opening defined benefit obligation	743,000	-
Current service cost	81,000	71,000
Interest cost	33,000	35,000
Contributions by scheme participants	24,000	24,000
Actuarial Losses	18,000	40,000
Losses on curtailments	-	15,000
Liability transferred on conversion	-	558,000
	899,000	743,000

Movements in the fair value of the School's share of scheme assets

	2013	2012
	£	£
Opening fair value of scheme assets	287,000	-
Expected return on assets	16,000	15,000
Actuarial gains and (losses)	35,000	(8,000)
Contributions by employer	84,000	96,000
Contributions by employees	24,000	24,000
Asset transferred on conversion	-	160,000
	446,000	287,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £31,000 (2012 £48,000)

The School expects to contribute £87,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2013	2012
Equities	72.00 %	64.00 %
Bonds	20.00 %	27.00 %
Property	6.00 %	6.00 %
Cash	2.00 %	3.00 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	5.90 %	4.70 %
Rate of increase in salaries	4.60 %	4.00 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

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26. PENSION COMMITMENTS (continued)

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

	2013	2012
Retiring today		
Males	21.7 years	21.7 years
Females	23.6 years	23.6 years
Retiring in 20 years		
Males	23.5 years	23.5 years
Females	25.8 years	25.8 years

The current mortality assumptions include sufficient allowance for future improvements in mortality rates

Experience adjustments for the current period are as follows

Defined benefit pension schemes

	2013	2012
	£	£
Defined benefit obligation	(899,000)	(743,000)
Scheme assets	446,000	287,000
Deficit	(453,000)	(456,000)
Experience adjustments on scheme liabilities	(18,000)	(40,000)
Experience adjustments on scheme assets	35,000	(8,000)

27. OPERATING LEASE COMMITMENTS

At 31 August 2013 the School had annual commitments under non-cancellable operating leases as follows

	2013	2012
	£	£
EXPIRY DATE		
Between 2 and 5 years	18,423	18,423
After more than 5 years	817	-

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28. RELATED PARTY TRANSACTIONS

Owing to the nature of the School's operations and the composition of the board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Schools's financial regulations and normal procurement procedures.

Stroud and Rodborough Educational Charity, which has a trustee in common with the School, owns land and buildings, which Marling School leases, under a 125 year lease, which commenced on conversion.

Also during the period, donations of £7,304 (2012: £8,493) were received from Stroud and Rodborough Educational Charity.

The Marling School Trust has common trustees with the school and the charity's objective is to raise funds for the school. During the year the school received an unrestricted donation of £15,000.

29. CONTROLLING PARTY

The company is under the joint control of the Trustees. There is no ultimate controlling party.