
PERSHORE HIGH SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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PERSHORE HIGH SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

Robert Phillips, Chair of Governors
Nicholas Young, Vice Chair
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)
Russell Dalton, Director Governor
Trevor West, Director Governor
Guy Sampson, Staff Governor
Anita Iddon, Staff Governor
Graham Booth, Staff Governor
Steven Bessant, Parent Governor
Felicity Ash, Parent Governor (resigned 5 October 2013)
Philippa Cavilla, Parent Governor
Nicola Gow, Governor
Paul Featonby, Governor
John Brookes, Governor (resigned 23 September 2013)
Thomas MacDonald, Governor (resigned 27 February 2014)
Kenneth Rowe, Governor
Elizabeth Tucker, Local Authority Governor
Melanie Chippendale, Co-opted Governor
Richard Evans, Parent Governor
Richard Charles, Parent Governor
David Riley, Governor

Members

Rob Philips
Nick Young
Trevor West
Clive Corbett
Russell Dalton

Company registered number

07665364

Principal and registered office

Station Road
Persnore
Worcestershire
WR10 2BX

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

Company Secretary

Annette Davenport

Head Teacher

Clive Corbett

Senior management team

Clive Corbett, Headteacher
Phil Hanson, Deputy Head
Andrew Nockton, Deputy Head
Graham Booth, Assistant Head
Jason Howell, Assistant Head
Russell Dalton, Finance & Business Director
Zoe Budding, Head of Student Achievement

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank plc
PO Box 1000
BX1 1LT

Solicitors

Legal and Democratic Services
Worcestershire County Council
County Hall
Spetchley Road
Worcester
Worcestershire
WR5 2NP

Surveyors

Sheppard Building and Project Consultancy
The Old Stables
Hatfield Farm
Hatfield
Worcester
WR5 2PZ

PERSHORE HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Pershore High School (the Academy and the group) for the ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Academy and the group comply with the current statutory requirements, the requirements of the Academy and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

CONSTITUTION

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 trustees of Pershore High School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Pershore High School.

The articles of association state that the members of the Academy comprise the signatories of the memorandum, one person appointed by the Secretary of State, the Chairman of the Governors and any person appointed under Article 16. The articles of association state that the members must appoint a minimum of 3 Governors but with no maximum, including staff and parent governors.

Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on pages 1 & 2. We are continually undertaking a skills review of governors in order to try and fill any gaps for new governors with the appropriate skills.

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.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Governing body should be no bigger than 21 in number. Five of the Governors are Director Governors. The Headteacher is a Governor. A maximum of seven Governors are elected by the parental body as Parent Governors. Three of the Governors are elected by the staff of the school as Staff Governors. One Governor is nominated by Worcestershire County Council. A maximum of 9 appointed Governors and 3 Co-opted Governors.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or governors may attend external training provision as appropriate. All new Governors are expected to attend initial training run by the Local Authority. Governors are provided with copies of all the documents that they will need to undertake their role.

PERSHORE HIGH SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

ORGANISATIONAL STRUCTURE

The full Governing Body meets formally three times per year. Discussions are held and decisions are made or ratified as appropriate. There are three main committees which meet four-five times per year: Finance, Policy and Operations (F, P & O), Staffing and School Improvement. These committees provide the opportunity for detailed discussion and policy development. Interim decisions are reached at committee for ratification at full Governing Body meetings. The day to day running of the Academy is delegated to the Leadership Team (LT) who report back to the Governors' committees as appropriate.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interest forms, and any financial transactions are disclosed in the notes to the accounts. From the 19th January 2012 the Academy had a new trading company set up, and this is a wholly owned subsidiary of the Academy. The Trading Company accounts are consolidated with the Academy Trust accounts.

RISK MANAGEMENT

The Academy has an ongoing risk management process. Overall responsibility for risk management rests with the Governing Body. The F, P & O committee, in conjunction with the LT, regularly monitors the type of risk the Academy faces, monitoring any changing levels of risk and identifying newly emerging risks. Current areas for close monitoring include reduction in student numbers, changes to the funding formula and longer term financial planning, finding alternative sources of income, establishing a succession plan for governors and increasing their awareness of what being an academy involves.

TRUSTEES' INDEMNITIES

The academy Trust provides indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

PRINCIPAL ACTIVITIES

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad curriculum with a strong emphasis on, but in no way limited to Technology, Mathematics and Computing.

Objectives and Activities

OBJECTS AND AIMS

The main aim of Pershore High School Academy Trust is to create a stable environment, ensuring that the high standards set by the school are maintained. Within this environment, our aim is to use the freedoms brought by Academy Status to lay down the foundations of initiatives to further enhance the quality of teaching and learning in the school, thereby maximising the opportunities for all students to realise their full potential.

PERSHORE HIGH SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main focus for the School Development Plan during this period was to raise standards of Student Achievement. This was supported by developments in academic monitoring, teaching and learning, strategic planning, leadership and management and academy and specialist activities. The school is striving to create an environment in which each individual is given the opportunity to maximise their potential in all areas of the school. With this in mind we do everything possible within the financial constraints to offer a broad and balanced curriculum.

ACTIVITIES FOR ACHIEVING OBJECTIVES

To facilitate this we have continued to develop a 5 Year Plan for the Academy, focusing both upon the key areas of the School Development Plan and more general targets related to the schools development and growth to 2019. We further strengthened governance through Academy Board decisions on its composition and powers. A succession strategy is in place, along with Strategy and Vision groups of both Governors and Staff. The key focus of leadership and management remains upon the quality of teaching and learning and student achievement. Academic monitoring has been enhanced through the success of the house system based upon vertical tutoring, under the overall charge of the Head of Student Achievement. The emphasis is upon tutors developing an increasingly academic role in working together with subject staff to raise levels of student achievement at all ages. A particularly key element of the tutors work will be the learning conversations and academic guidance that follows them. There is a continued emphasis on 'closing the gap' with those pupils identified for Pupil Premium funding with varying initiatives for both academic and aspirational achievement.

PUBLIC BENEFIT

In setting the objectives, the Trustees have given careful consideration to the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Achievements and performance

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 2014/2015 and are making strategic changes to try and ensure this continues 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 of the financial statements.

ACHIEVEMENTS AND PERFORMANCE

Please note that these statistics are calculated on 250 Year 11 students on roll in January 2014.

100% of these students achieved 1 or more GCSE grade A* - G passes.

96% of these 250 students achieved 5 or more GCSE grade A* - G passes.

71% of these 250 students achieved 5 or more GCSE grade A*-C passes.

64% of these 250 students achieved 5 or more GCSE grade A* - C passes (incl English & Maths)

50% of these students gained A*-C grades in 9 or more subjects, many of them mainly A*, A or B grades.

GCSE Results 2014

Year 11 Entries	A*	A	B	C	D	E	F	G	U	Abs	A*-C	A*-G
2014 - %	8.8	16.1	26.4	25.3	12.9	6.7	2.2	1.3	0.1	0	77	99.9

A Level Results (A2) 2014

Year 13 Entries	A*	A	B	C	D	E	U	A-C	A-E	Average Points Score
2014 - %	6	11	25	27	19	11	1	69	99	776

Performance Against Targets

Targets		Target 2014	Actual 2014	Target 2015
GCSE	Five or more grades A* - C	80%	71%	75%
	GCSE inc Maths & English	70%	64%	66%

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

KEY PERFORMANCE INDICATORS

The Academy uses the progress of students at GCSE, AS and A2 levels as the main KPIs for the delivery of its primary objective, together with retaining or improving on its Good with outstanding features reports from its Ofsted visits and internal assessments. Finally the Academy uses the number of students in the Academy as a Key KPI along with the level of reserves available to continue the improvement of the site, facilities and curriculum development.

The following are the Key Performance Indicators/Targets that have been set:

Achievement	Targets or Indicators
% 5+including English and Maths	67
% 3 levels of progress in E/M/both	86/80/82
8 best scores	
KS3-KS4 progression profile	No sig minus indicators on FFT or RoL
Middle ability boys/low ability girls/SEN/Pupil Premium	No sig minus indicators on FFT or RoL
Post 16	Top 3 ALPS groups in all categories

Behaviour and Safeguarding	Targets or Indicators
Attendance	96%
Exclusions	No PX. Reduced number of FTXs from 2013

Leadership and Management	Targets or Indicators
Middle and Senior Leaders' CPD objectives as indicated by performance management document	All CPD objectives met, whether these be preparing for promotion, broadening experience or developing skills
Governors to be fully prepared for key decision making in respect of performance management pay and post 16 curriculum developments	All Governors to receive appropriate training in these areas: designated Governors to take strategic lead roles.

Overall Effectiveness	Targets or Indicators
Destinations	100% positive at end of year 11 and 12 (no NEETS) 80% of 6 th Form leavers move to 1 st or 2 nd choice destinations
Business/Finance/VfM	Implementation of ne Business Development Plan, including income generation strategy. Demonstrable impact on the S.Worcs Development Plan, esp re building issues
High profile for SMSC	Increased participation in extra-curricular and community service activities
Student engagement/retention	100% positive returns on half termly individual positive contribution logs (via tutor) Increased retention rate at 16+
Stakeholder viewpoints	Complete full range of annual surveys, and show action taken in response to points raised: high parent/student satisfaction ratings in key areas
2012-2017 Strategic Plan	To have achieved 2014 milestones To ensure viable resources stream to support all sections of the plan (not least wholes school succession planning)

REVIEW OF ACTIVITIES

The accounting period runs from 1 September 2013 to 31 August 2014. The majority of the Academies income is obtained from the EFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure is shown as restricted funds in the statement of financial activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

INVESTMENT POLICY AND PERFORMANCE

The Finance and Business Director, together with the Business Manager, will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

Financial review

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

To support the conversion to an Academy external advice was obtained to assist in the conversion process. A new risk management strategy was adopted by the Governors and a risk register compiled following a thorough review of all risks perceived by the Governors and LT to the academy. This is reviewed periodically by the F,P&O Committee. External auditors were appointed and the Academy Finance Manual was reviewed to ensure its appropriateness for the new academy.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

RESERVES POLICY

The Directors in conjunction with the main board of governors need to review the resources of the Academy and recognise the need to have sufficient reserves to protect against possible reductions in the funding. The reserves will be held in line with the DfE guidelines. The policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

PRINCIPAL FUNDING

The principal source of funding is the EFA and the Department for Education grants.

Plans for future periods

FUTURE DEVELOPMENTS

In the short term, the main focus is to further build upon the school's reputation for outstanding teaching and learning. To facilitate this we have rigorously followed a programme of Learning Walks and formal Lesson Observations, based upon the more stringent new Ofsted criteria. This has led to further raised expectations in the classroom and an additional emphasis upon the loop of feedback on work through the use of the marking stamp - Teachers comment of What Went Well (www) and Even Better If (ebi) and students respond.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian Trustee on behalf of others.

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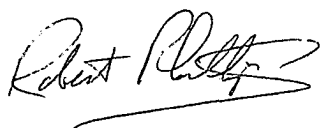
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the Group strategic report, was approved by order of the Governing body, as the company directors, on 1 December 2014 and signed on the board's behalf by:



Rob Phillips
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Pershore High 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 Governing body 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 Pershore High School and the Secretary of State for Education. They are also responsible for reporting to the Governing body 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 Governing body has formally met 3 times during the year. Attendance during the year at meetings of the Governing body was as follows:

Trustee	Meetings attended	Out of a possible
Robert Phillips, Chair of Governors	3	3
Nicholas Young, Vice Chair	3	3
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)	3	3
Russell Dalton, Director Governor	3	3
Trevor West, Director Governor	3	3
Guy Sampson, Staff Governor	2	3
Anita Iddon, Staff Governor	3	3
Graham Booth, Staff Governor	3	3
Steven Bessant, Parent Governor	3	3
Felicity Ash, Parent Governor	0	0
Philippa Cavilla, Parent Governor	3	3
Nicola Gow, Governor	3	3
Paul Featonby, Governor	1	3
John Brookes, Governor	0	0
Thomas MacDonald, Governor	1	3
Kenneth Rowe, Governor	3	3
Elizabeth Tucker, Local Authority Governor	3	3
Melanie Chippendale, Co-opted Governor	3	3
Richard Evans, Parent Governor	0	0
Richard Charles, Parent Governor	0	0
David Riley, Governor	0	0

The Governing Body comprises 21 members; five of the Governors are Director Governors. The Headteacher is a Governor. A maximum of seven Governors are elected by the parental body as Parent Governors. Three of the Governors are elected by the staff of the school as Staff Governors and three Co-opted Governors. The Full Governing Body meets three times a year, there is a Chair and Vice Chair who are elected each year.

There are three main committees which meet four-five times per year: Finance, Policy and Operations (F,P&O), Staffing and School Improvement. Each subcommittee has a Chair and Vice Chair who are elected each year and terms of reference are also agreed annually. Although the Chair of Governors can be a member of the F,P&O committee they are not allowed to chair it.

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GOVERNANCE STATEMENT (continued)

Each meeting is duly minuted and attendance records are kept, absence from three consecutive meetings could result in dismissal from the Governing Body. Competences of all Governors are considered prior to inclusion onto the Governing Body, these are further scrutinised prior to acceptance onto the F,P&O committee to ensure a thorough mix of knowledge and experience is available to give complete professional judgement on all decisions made. The main challenge that the Governors have to deal with is driving standards higher in a time of constant change with education legislation.

Governance reviews:

The Governing Body at PHS is aware of the need to be self critical and proactive in its focus. To meet this requirement a Strategic Review Group has been established to examine and report on governor performance on a regular basis. In addition, the Chair of Governors has been appointed a National Leader of Governance (NLG) and is therefore aware of the National College of Teaching and Leadership (NCTL) recommendations for the structuring and execution of reviews of governance.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to draft the first formal budget plan of the financial year, establish and maintain an up to date 3 year financial plan, to ensure that the school operates within the Financial Regulations as dictated by the Academies Financial Handbook, determining whether sufficient funds are available for pay increments as recommended by the Headteacher and to review the body's internal and external financial statements and reports to ensure that they reflect best practice whilst reviewing the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the school are achieved in the most economic, effective and environmentally preferable manner.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Robert Phillips, Chair of Governors	3	4
Nicholas Young, Vice Chair	4	4
Steven Bessant, Parent Governor	4	4
Graham Booth, Staff Governor	4	4
John Brooks, Governor	0	0
Russell Dalton, Director Governor	4	4
Nicola Gow, Governor	3	4
Kenneth Rowe, Governor	4	4
Elizabeth Tucker, Local Authority Governor	3	4
Trevor West, Director Governor	4	4
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)	4	4
Paul Featonby, Governor	1	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Pershore High School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Governing body 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 Governing body 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 year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing body.

The Finance and Business Director has developed a system of controls and checks and holds regular meetings with the Headteacher to review finances. The Finance Manual details the procedures and systems to be used by all budget holders. A copy of the manual is available to all budget holders and staff are aware that all purchases and contracts must be entered into only by the Headteacher and/or the Finance and Business Director depending on value

The Governors have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

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 Governing body;
- regular reviews by the Finance, General Purposes and Operations 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 Governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr D Darling, the Business Manager of The Chanrty High School to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the reviewer reports to the Governing body on the operation of the systems of control and on the discharge of the Governing body's financial responsibilities.

Mr D Darling carried out RO checks covering the four quarters of the year and reported back all of his findings to the governors. There were no significant recommendations, however where recommendations were made they were acted upon.

These arrangements can provide only reasonable assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

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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 peer reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, General Purposes and Operations 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 Governing body on 1 December 2014 and signed on its behalf, by:



Rob Phillips
Chair of Trustees



Clive Corbett
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pershore High School I have considered my responsibility to notify the Academy Governing body 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 Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy Governing body 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 (2013).

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 Governing body and EFA.



Clive Corbett
Accounting Officer

Date: 01 December 2014

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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees (who act as governors of Pershore High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Group strategic 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 the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 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 group'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 Governing body on 1 December 2014 and signed on its behalf by:



Rob Phillips
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF PERSHORE HIGH SCHOOL

We have audited the financial statements of Pershore High School for the year ended 31 August 2014 which comprise the group Statement of financial activities, the group and Academy Balance sheets, the group 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 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's 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 Academy and its members, as a body, 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 Academy 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 group's and the parent Academy'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF PERSHORE HIGH 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:

- the parent charitable Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable Academy 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.



Robert Stokes FCCA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 15 December 2014

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PERSHORE
HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pershore High School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF PERSHORE HIGH SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Pershore High School's funding agreement with the Secretary of State for Education dated 6th September 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;

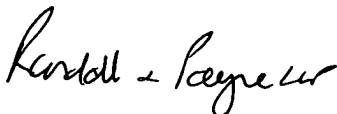
PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PERSHORE
HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

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



Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 15 December 2014

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	67	-	-	67	32
Activities for generating funds	3,4	371	-	-	371	416
Investment income	5	2	-	-	2	6
Incoming resources from charitable activities	6	15	6,034	3,466	9,515	6,569
TOTAL INCOMING RESOURCES		455	6,034	3,466	9,955	7,023
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	7	54	-	-	54	148
Fundraising expenses and other costs	4	185	-	-	185	144
Charitable activities		224	6,073	291	6,588	6,242
Governance costs	9	-	17	-	17	99
TOTAL RESOURCES EXPENDED	12	463	6,090	291	6,844	6,633
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		(8)	(56)	3,175	3,111	390

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Actuarial gains and losses on defined benefit pension schemes		-	(378)	-	(378)	44
NET MOVEMENT IN FUNDS FOR THE YEAR		(8)	(434)	3,175	2,733	434
<i>Total funds at 1 September 2013</i>		<i>69</i>	<i>(1,208)</i>	<i>11,717</i>	<i>10,578</i>	<i>10,144</i>
TOTAL FUNDS AT 31 AUGUST 2014		61	(1,642)	14,892	13,311	10,578

All activities relate to continuing operations.

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

The notes on pages 25 to 46 form part of these financial statements.

PERSHORE HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07665364

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Tangible assets	19		12,031	11,820
CURRENT ASSETS				
Stocks	20	2	2	
Debtors	21	3,136	57	
Cash at bank		856	775	
		<u>3,994</u>	<u>834</u>	
CREDITORS: amounts falling due within one year	22	(534)	(328)	
NET CURRENT ASSETS			<u>3,460</u>	<u>506</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,491</u>	<u>12,326</u>
Defined benefit pension scheme liability	30		(2,180)	(1,748)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>13,311</u></u>	<u><u>10,578</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	23	538	540	
Restricted fixed asset funds	23	14,892	11,717	
		<u>15,430</u>	<u>12,257</u>	
Restricted funds excluding pension liability				
Pension reserve		(2,180)	(1,748)	
		<u></u>	<u></u>	
Total restricted funds			13,250	10,509
Unrestricted funds	23		61	69
TOTAL FUNDS			<u><u>13,311</u></u>	<u><u>10,578</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2014 and are signed on their behalf, by:



Robert Phillips, Chair of Governors



Clive Corbett, Accounting Officer/Headteacher


The notes on pages 25 to 46 form part of these financial statements.

PERSHORE HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07665364

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	19		12,031		11,820
CURRENT ASSETS					
Debtors	21	3,130		206	
Cash at bank		833		627	
		<u>3,963</u>		<u>833</u>	
CREDITORS: amounts falling due within one year	22	<u>(503)</u>		<u>(326)</u>	
NET CURRENT ASSETS			<u>3,460</u>		<u>507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,491</u>		<u>12,327</u>
Defined benefit pension scheme liability	30		<u>(2,180)</u>		<u>(1,748)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>13,311</u></u>		<u><u>10,579</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	23	538		540	
Restricted fixed asset funds	23	14,892		11,717	
		<u>15,430</u>		<u>12,257</u>	
Restricted funds excluding pension asset					
Pension reserve		<u>(2,180)</u>		<u>(1,748)</u>	
Total restricted funds			<u>13,250</u>		<u>10,509</u>
Unrestricted funds	23		<u>61</u>		<u>70</u>
SHAREHOLDERS' AND CHARITY'S FUNDS			<u><u>13,311</u></u>		<u><u>10,579</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2014 and are signed on their behalf, by:



Robert Phillips
Chair of Trustees

The notes on pages 25 to 46 form part of these financial statements.

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	25	(2,885)	179
Returns on investments and servicing of finance	26	2	6
Capital expenditure and financial investment	26	2,964	(87)
INCREASE IN CASH IN THE YEAR		81	98

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £000	2013 £000
Increase in cash in the year	81	98
MOVEMENT IN NET FUNDS IN THE YEAR	81	98
Net funds at 1 September 2013	775	677
NET FUNDS AT 31 AUGUST 2014	856	775

The notes on pages 25 to 46 form part of these financial statements.

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy 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.

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

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

1.4 Resources expended

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

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

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

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses. This year the decision has been made not to allocate salary costs in respect of the Headteacher and the Finance & Business Director due to their Governance roles being primarily out of school operating hours.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

The Academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.6 Basis of consolidation

The financial statements consolidate the accounts of Pershore High School and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the Year dealt with in the accounts of the Academy was £121,000 (2013 - £70,000).

1.7 Turnover

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the Year, exclusive of Value Added Tax and trade discounts.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised, ICT equipment costing more than £250 and considered attractive and portable are also 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 Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	50 years
Fixtures and fittings	-	10% straight line
Computer equipment	-	33% straight line

1.9 Stocks

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

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 30, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Other donations	67	-	67	32

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Music tuition	9	-	9	10
Hire of Facilities	3	-	3	4
Examination fees and sundry sales	85	-	85	92
Catering income	-	-	-	5
	<u>97</u>	<u>-</u>	<u>97</u>	<u>111</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Charity trading income				
Trading company income	274	-	274	305
	<u>274</u>	<u>-</u>	<u>274</u>	<u>305</u>
Fundraising trading expenses				
Trading company expenditure	185	-	185	144
	<u>185</u>	<u>-</u>	<u>185</u>	<u>144</u>
Net income from trading activities	<u>89</u>	<u>-</u>	<u>89</u>	<u>161</u>

5. INVESTMENT INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Investment income	2	-	2	6
	<u>2</u>	<u>-</u>	<u>2</u>	<u>6</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Educational Operations Direct	15	9,500	9,515	6,569
	<u>15</u>	<u>9,500</u>	<u>9,515</u>	<u>6,569</u>

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Pershore High School

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	<i>Total funds 2013 £000</i>
DfE/EFA revenue grants				
General Annual Grant	15	5,807	5,822	6,037
Other DfE/EFA Grants	-	21	21	25
Special Educational Projects	-	206	206	134
Devolved Formula Capital Allocation	-	3,466	3,466	373
	<u>15</u>	<u>9,500</u>	<u>9,515</u>	<u>6,569</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	<i>Total funds 2013 £000</i>
Direct costs - Fundraising	54	-	54	148
	<u>54</u>	<u>-</u>	<u>54</u>	<u>148</u>

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	<i>Total funds 2013 £000</i>
Educational Operations Direct	217	5,947	6,164	5,234
Educational Operations Allocated	-	296	296	1,008
Activities for Generating Funds	7	121	128	-
	<u>224</u>	<u>6,364</u>	<u>6,588</u>	<u>6,242</u>

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs	Depreciation	Other costs	Total	Total
	2014	2014	2014	2014	2013
	£000	£000	£000	£000	£000
Educational Operations					
Direct	5,195	146	823	6,164	5,234
Educational Operations					
Allocated	-	87	209	296	1,008
Activities for Generating					
Funds	-	58	70	128	-
	<u>5,195</u>	<u>291</u>	<u>1,102</u>	<u>6,588</u>	<u>6,242</u>

9. GOVERNANCE COSTS

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2014	2014	2014	2013
	£000	£000	£000	£000
Governance Auditors' remuneration	-	4	4	11
Governance Auditors' non audit costs	-	1	1	3
Direct costs - Governance	-	12	12	-
Support costs - Governance	-	-	-	15
Wages and salaries	-	-	-	70
	<u>-</u>	<u>17</u>	<u>17</u>	<u>99</u>

PERSHORE HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. DIRECT COSTS

	Fundraising costs £000	Governance £000	Educational Operations £000	Allocated Educational Operations £000
Educational Supplies	-	-	92	-
Examination Fees	-	-	254	-
Other Direct Costs	-	-	174	104
Insurance	10	2	27	9
Security and Transport	-	-	1	1
Advertising	-	-	19	5
Travel	-	-	47	-
ICT	38	10	51	17
Telephone	1	-	12	4
Printing and stationery	5	1	13	5
Professional fees	-	-	64	64
Wages and salaries	-	-	3,622	-
National insurance	-	-	274	-
Pension cost	-	-	495	-
Depreciation	-	-	146	87
	54	13	5,291	296

	Activities for Generating funds £000	Total 2014 £000	Total 2013 £000
Educational Supplies	-	92	107
Examination Fees	-	254	266
Other Direct Costs	70	348	379
Insurance	-	48	69
Security and Transport	-	2	3
Advertising	-	24	22
Travel	-	47	41
ICT	-	116	118
Telephone	-	17	15
Printing and stationery	-	24	30
Professional fees	-	128	91
Wages and salaries	-	3,622	3,532
National insurance	-	274	269
Pension cost	-	495	499
Depreciation	58	291	246
	128	5,782	5,687

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11. SUPPORT COSTS

	Educational Operations £000	Total 2014 £000	Total 2013 £000
Net pension finance cost	67	67	70
Sundry costs	2	2	16
Wages and salaries	414	414	598
National insurance	34	34	32
Pension cost	356	356	71
	873	873	787

12. RESOURCES EXPENDED

	Staff costs 2014 £000	Non Pay Expenditure Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Costs of generating voluntary income	-	54	54	148
Fundraising expenses	-	185	185	144
Costs of generating funds	-	239	239	292
Educational Operations Direct	4,391	900	5,291	5,687
Educational Operations Allocated	-	296	296	-
Activities for Generating Funds	-	128	128	-
Support costs - Educational Operations	804	69	873	632
Charitable activities	5,195	1,393	6,588	6,319
Governance	-	17	17	14
	5,195	1,649	6,844	6,625

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13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £000	Support costs 2014 £000	Total 2014 £000	Total 2013 £000
Educational Operations Direct	5,291	873	6,164	5,168
Educational Operations Allocated	296	-	296	1,002
Activities for Generating Funds	128	-	128	-
Total	5,715	873	6,588	6,170

14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	291	246
Auditors' remuneration	4	11
Auditors' remuneration - non-audit	1	3
Operating lease payments	35	26

15. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	3,988	4,081
Social security costs	309	301
Other pension costs (Note 30)	851	571
	5,148	4,953
Supply teacher costs	48	48
	5,196	5,001

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. STAFF (continued)

b. Staff numbers

The average number of persons employed by the Academy during the Year expressed as full time equivalents was as follows:

	2014	2013
	No.	No.
Teachers	78	73
Administration and support	64	48
Management	7	7
	<hr/> 149 <hr/>	<hr/> 128 <hr/>

c. Higher paid staff

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

	2014	2013
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	3
In the band £100,001 - £200,000	1	1
	<hr/> 5 <hr/>	<hr/> 6 <hr/>

80 (2013: 80) of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £390,892 (2013: £380,892). 72 (2013: 72) other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £198,632 (2013: £198,632.)

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16. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 5 Trustees (2013 - 5) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014	2013
	£000	£000
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)	105-110	100-105
Graham Booth, Staff Governor	70-75	70-75
Russell Dalton, Director Governor	60-65	65-70
Anita Iddon, Staff Governor	50-55	45-50
Guy Sampson, Staff Governor	40-45	35-40

During the Year ended 31 August 2014, expenses totalling £3 thousand (2013 - £3 thousand) were reimbursed to 3 Trustees (2013 - 3).

17. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the Year ended 31 August 2014 was £2,170 (2013 - £1,905). The cost of this insurance is included in the total insurance cost.

18. OTHER FINANCE INCOME

	2014	2013
	£000	£000
Expected return on pension scheme assets	48	28
Interest on pension scheme liabilities	(115)	(98)
	(67)	(70)

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**NOTES TO THE FINANCIAL STATEMENTS
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19. TANGIBLE FIXED ASSETS

Group	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2013	12,171	28	100	12,299
Additions	450	-	52	502
At 31 August 2014	12,621	28	152	12,801
Depreciation				
At 1 September 2013	435	3	41	479
Charge for the Year	234	2	55	291
At 31 August 2014	669	5	96	770
Net book value				
At 31 August 2014	11,952	23	56	12,031
At 31 August 2013	11,736	25	59	11,820

Included in land and buildings is freehold land at valuation of £2,040,930 (2013 - £2,040,930) which is not depreciated.

Academy	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2013	12,171	28	100	12,299
Additions	450	-	52	502
At 31 August 2014	12,621	28	152	12,801
Depreciation				
At 1 September 2013	435	3	41	479
Charge for the Year	234	2	55	291
At 31 August 2014	669	5	96	770
Net book value				
At 31 August 2014	11,952	23	56	12,031
At 31 August 2013	11,736	25	59	11,820

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STOCKS

	<u>Group</u>		<u>Academy</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Raw materials	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>

21. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	6	9	-	6
Other debtors	93	22	93	22
Prepayments and accrued income	3,037	26	3,037	178
	<u>3,136</u>	<u>57</u>	<u>3,130</u>	<u>206</u>

22. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade creditors	302	10	299	10
Amounts owed to group undertakings	-	-	(26)	-
Other taxation and social security	171	171	171	171
Accruals and deferred income	61	147	59	145
	<u>534</u>	<u>328</u>	<u>503</u>	<u>326</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds					
General Funds - all funds	69	455	(463)	-	61
	<u>69</u>	<u>455</u>	<u>(463)</u>	<u>-</u>	<u>61</u>
Restricted funds					
Restricted Funds - all funds	540	6,034	(6,036)	-	538
Pension reserve	(1,748)	-	(54)	(378)	(2,180)
	<u>(1,208)</u>	<u>6,034</u>	<u>(6,090)</u>	<u>(378)</u>	<u>(1,642)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	11,717	3,466	(291)	-	14,892
Total restricted funds	<u>10,509</u>	<u>9,500</u>	<u>(6,381)</u>	<u>(378)</u>	<u>13,250</u>
Total of funds	<u>10,578</u>	<u>9,955</u>	<u>(6,844)</u>	<u>(378)</u>	<u>13,311</u>

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

The restricted general fund includes grants receivable from the EFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
General funds	69	455	(463)	-	61
Restricted funds	(1,208)	6,034	(6,090)	(378)	(1,642)
Restricted fixed asset funds	11,717	3,466	(291)	-	14,892
	<u>10,578</u>	<u>9,955</u>	<u>(6,844)</u>	<u>(378)</u>	<u>13,311</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	12,031	12,031	11,820
Current assets	69	847	3,078	3,994	834
Creditors due within one year	(8)	(309)	(217)	(534)	(328)
Provisions for liabilities and charges	-	(2,180)	-	(2,180)	(1,748)
	<u>61</u>	<u>(1,642)</u>	<u>14,892</u>	<u>13,311</u>	<u>10,578</u>

25. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £000	Discontinued £000	2014 Total £000	2013 £000
Net incoming resources before revaluations	3,111	-	3,111	390
Returns on investments and servicing of finance	(2)	-	(2)	(6)
Depreciation of tangible fixed assets	291	-	291	247
Capital grants from DfE	(3,466)	-	(3,466)	(373)
Increase in debtors	(3,079)	-	(3,079)	(138)
Increase in creditors	206	-	206	10
FRS 17 adjustments	54	-	54	49
Net cash (outflow)/inflow from operations			<u>(2,885)</u>	<u>179</u>

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

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	<u>2</u>	<u>6</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(502)	(460)
Capital grants from DfE	3,466	373
Net cash inflow/(outflow) capital expenditure	2,964	(87)

27. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	775	81	-	856
Net funds	775	81	-	856

28. CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to;

- The value at the time the Academy's site and premises and other assets held for the purposes of the company, and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

29. CAPITAL COMMITMENTS

After the year end the Academy entered into a contract with George Law Limited to construct new build art and classroom blocks. The contract sum is £3,048,478 exclusive of VAT, and the works is over a period of 78 weeks from 22 September 2014. As the contract was signed after the year end, no amounts have been accrued for in the accounts.

Funding has been received from the EFA through an Academies Capital Maintenance Fund of £3.3m, receivable in stage payments over the next two years. Confirmation of this grant was received during the year ended 31 August 2014, and as such this has been accrued for in the accounts.

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NOTES TO THE FINANCIAL STATEMENTS
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30. PENSION COMMITMENTS

The group'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 Worcestershire 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 2013.

Contributions amounting to £77,014 were payable to the scheme at 31 August 2014 (2013 - 81,338) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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30. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group 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 group 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 2014 was £251,000, of which employer's contributions totalled £194,000 and employees' contributions totalled £57,000. The agreed contribution rates for future years are 19.2% for employers and 5-6% 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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30. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	7.00	867	7.00	563
Bonds	3.80	61	4.40	37
Property	-	-	-	-
Other - user input	-	-	-	-
Cash	0.50	11	0.50	24
Other - user input	-	-	-	-
Total market value of assets		<u>939</u>		<u>624</u>
Present value of scheme liabilities		<u>(3,119)</u>		<u>(2,372)</u>
Deficit in the scheme		<u>(2,180)</u>		<u>(1,748)</u>

The amounts recognised in the Balance sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(3,119)	(2,372)
Fair value of scheme assets	<u>939</u>	<u>624</u>
Net liability	<u>(2,180)</u>	<u>(1,748)</u>

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

	2014 £000	2013 £000
Current service cost	(192)	(175)
Interest on obligation	(115)	(98)
Expected return on scheme assets	<u>48</u>	<u>28</u>
Total	<u>(259)</u>	<u>(245)</u>
Actual return on scheme assets	<u>69</u>	<u>73</u>

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30. PENSION COMMITMENTS (continued)

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

	2014 £000	2013 £000
Opening defined benefit obligation	2,372	2,059
Current service cost	192	175
Interest cost	115	98
Contributions by scheme participants	67	57
Actuarial Losses	382	-
Benefits paid	(9)	(17)
	<u>3,119</u>	<u>2,372</u>
Closing defined benefit obligation	<u>3,119</u>	<u>2,372</u>

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

	2014 £000	2013 £000
Opening fair value of scheme assets	624	318
Expected return on assets	48	28
Actuarial gains and (losses)	4	44
Contributions by employer	205	194
Contributions by employees	67	57
Benefits paid	(9)	(17)
	<u>939</u>	<u>624</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £334,000 loss (2013 - £44,000 gain).

The group expects to contribute £207,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	92.30 %	90.20 %
Other bonds	6.50 %	6.00 %
Cash / liquidity	1.20 %	3.80 %
Other	- %	- %

Worcester County Council Pension Fund - Pershore High School

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.60 %
Rate of increase in salaries	3.70 %	3.90 %
Rate of increase for pensions in payment / inflation	2.20 %	2.40 %
Inflation assumption (CPI)	2.20 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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30. 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:

	2014	2013
Retiring today		
Males	23.3	22.5
Females	25.7	25.0
Retiring in 20 years		
Males	25.5	24.3
Females	28.0	27.0

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000
Defined benefit obligation	(3,119)	(2,372)	(2,059)
Scheme assets	939	624	318
Deficit	(2,180)	(1,748)	(1,741)
Experience adjustments on scheme liabilities	(382)	-	(154)
Experience adjustments on scheme assets	4	44	(19)

31. RELATED PARTY TRANSACTIONS

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

	2014 £	2013 £
Clive Corbett	1,418	1,006
Russell Dalton	1,357	1,833
Anita Iddon	259	140
Graham Booth	-	-
Guy Sampson	-	-

32. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Pershore High School Trading Limited	England & Wales	100	Provider of catering and consultancy services