



# Perschore High School

An Academy for 12 to 18 year olds

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**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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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 2013**

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**Governors**

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  
David Riley, Parent Governor (resigned 5 December 2012)  
Philippa Cavilla, Parent Governor  
Nicola Gow, Governor  
Paul Featonby, Governor  
John Brookes, Governor  
Keith Barnes, Governor (resigned 12 December 2012)  
Thomas MacDonald, Governor  
Kenneth Rowe, Governor  
Lesley Blunt, Governor (resigned 9 December 2012)  
Elizabeth Tucker, Local Authority Governor  
Melanie Chippendale, Co-opted Governor  
Richard Charles, Parent Governor (appointed 5 December 2012)  
Richard Evans, Parent Governor (appointed 5 December 2012)

**Trustees and Members**

Rob Philips  
Nick Young  
Trevor West  
Clive Corbett  
Russell Dalton

**Company registered number**

07665364

**Principal and registered office**

Station Road  
Pershore  
Worcestershire  
WR10 2BX

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

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**Advisers (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, Deputy 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 TSB  
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

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

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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) for the ended 31 August 2013. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy'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**

**a. 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 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

**b. 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.

**c. 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

**d. 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 a training run by the Local Authority. Governors are provided with copies of all the documents that they will need to undertake their role.

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

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**e. 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.

**f. 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. In accordance with section 405 paragraph 2 of the Companies Act 2006 group accounts have not been prepared on the basis that the subsidiary is deemed immaterial for the purpose of giving a true and fair view. Separate accounts will be prepared and submitted in due course in accordance with company law.

**g. 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.

**h. 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

**i. 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**

**a. 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.

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

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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main focus for the school development plan during this period was to raise standards of Student Achievement and 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 have looked to offer a broad and balanced curriculum.

**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

To facilitate this we have continued to develop a 5 year plan for the school, focusing both upon the key areas of the school development plan and more general targets related to the schools development and growth to 2017. 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 emphasis of Leadership and Management remains 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.

**d. 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.

**Achievements and performance**

**a. GOING CONCERN**

After making appropriate enquiries, the Governing body has a reasonable expectation that the Academy 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.

**b. KEY PERFORMANCE INDICATORS**

The Academy uses the attainment of 5 A\*-C GCSE grades as the main KPI 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. Please note that these statistics are calculated on 242 Year 11 students on roll in January 2013

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

93% of these 242 students achieved 5 or more GCSE grade A\* - G passes.

73.5% of these 242 students achieved 5 or more GCSE grade A\*-C passes.

59% of these 242 students achieved 5 or more GCSE grade A\* - C passes (incl English & Maths)

49% of these students gained A\*-C grades in 9 or more subjects, many of them mainly A\*, A or B grades.

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**FOR THE YEAR ENDED 31 AUGUST 2013**

In terms of performance against the targets set please see below

Targets		Target 2013	Actual 2013	Target 2014
GCSE	Five or more grades A* - C	75%	73.50%	80%
	GCSE inc Maths & English	62%	59%	70%

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.

**c. REVIEW OF ACTIVITIES**

The results for the year are as below along with the attendance record.

GCSE Results 2013

Year 11 Entries	A*	A	B	C	D	E	F	G	U	Abs	A-C	A-G
2013 %	9	14	24	27	14	7	3	1	1	0	735	100

A level results (A2) 2013

YEAR 13 Entries	A*	A	B	C	D	E	U	A-C	A-E	Average Points Score
2013 %	5.3	13.4	23.7	23.7	23.4	7.5	1.4	66	96.9	787

Student Attendance Figures	2012/13
Students (aged 12 to 16)	860
Student Sessions (Autumn & Spring Term 2012-13)	252365
<b>Attendance</b>	
Authorised Absences	6.04%
Unauthorised Absences	0.63%
Students with at least one unauthorised absence	0.30%

**d. 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.



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

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**Financial review**

**a. 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.

**b. 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.

**c. 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.

**d. PRINCIPAL FUNDING**

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

**Plans for the future**

**a. 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**

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 2013**

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**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 company'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 company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Governing body on 27 November 2013 and signed on its behalf by:

**Rob Phillips**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

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**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	2	3
Nicholas Young, Vice Chair	2	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	3	3
Anita Iddon, Staff Governor	3	3
Graham Booth, Staff Governor	3	3
Steven Bessant, Parent Governor	3	3
Felicity Ash, Parent Governor	2	3
David Riley, Parent Governor	3	3
Philippa Cavilla, Parent Governor	2	3
Nicola Gow, Governor	2	3
Paul Featonby, Governor	2	3
John Brookes, Governor	1	3
Keith Barnes, Governor	1	1
Thomas MacDonald, Governor	3	3
Kenneth Rowe, Governor	3	3
Lesley Blunt, Governor	1	1
Elizabeth Tucker, Local Authority Governor	3	3
Melanie Chippendale, Co-opted Governor	2	3
Richard Charles, Parent Governor	2	3
Richard Evans, Parent Governor	3	3

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)**

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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.

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	2	5
Nicholas Young, Vice Chair	5	5
Steven Bessant, Parent Governor	4	5
Graham Booth, Staff Governor	3	5
John Brooks, Governor	2	5
Russell Dalton, Director Governor	5	5
Nicola Gow, Governor	2	5
Kenneth Rowe, Governor	4	5
Elizabeth Tucker, Local Authority Governor	4	5
Trevor West, Director Governor	4	5
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)	4	5

#### **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 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

#### **CAPACITY TO HANDLE RISK**

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, together with the Finance and Business Director 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 Academy 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 as well as making recommendations for improvement

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**GOVERNANCE STATEMENT (continued)**

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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 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 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:

- significantly improved 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 Kerry Brimfield, the Financial Director of Dyson Perrins Church of England Academy to perform Responsible Officer (RO) duties and peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The reviewer has reported 3 times to the Governing body during the period to 31 August 2013 on the operation of the systems of control and on the discharge of the Governing body's financial responsibilities. In the instances where the RO has made recommendations for improvement, these have been discussed with the Finance and Business Director and where appropriate implemented.

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.

### **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;
- Feedback from the F,P&O Committee. The structure of the committees has been reviewed and the Finance and Premises Committees now meet jointly, as the F,P&O Committee, to ensure all decisions that have a financial impact on the Academy are taken together;
- Feedback from the Finance and Business Director and the Chair of the F,P&O Committee

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**GOVERNANCE STATEMENT (continued)**

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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 27 November 2013 and signed on their behalf, by:

**Rob Phillips**  
**Chair of Trustees**

**Clive Corbett**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 (2012).

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 (2012).

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

**Clive Corbett**  
**Accounting Officer**

Date: 27 November 2013

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

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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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 Governing body on 27 November 2013 and signed on its behalf by:

**Rob Phillips**  
**Chair of Trustees**



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSHORE HIGH SCHOOL**

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We have audited the financial statements of Pershore High 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 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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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.

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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSHORE HIGH SCHOOL**

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**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.

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:

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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

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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, 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 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 Pershore High School and the 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 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 Pershore High School and the 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 AUDITORS**

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 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 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;

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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

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- 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 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.

**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

Date:

**PERSHORE HIGH 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**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Note					
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	32	-	-	11,714
Activities for generating funds	3	197	-	-	320
Investment income	4	6	-	-	2
Incoming resources from charitable activities	5	-	6,196	373	7,421
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL INCOMING RESOURCES</b>	<b>235</b>	<b>6,196</b>	<b>373</b>	<b>6,804</b>	<b>19,457</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Costs of generating voluntary income	6	99	-	49	-
Charitable activities		76	5,897	197	7,469
Governance costs	8	5	91	-	97
Other resources expended	9	-	-	-	102
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL RESOURCES EXPENDED</b>	<b>12</b>	<b>180</b>	<b>5,988</b>	<b>246</b>	<b>7,668</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>55</b>	<b>208</b>	<b>127</b>	<b>11,789</b>

**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Transfers between Funds	22	-	(57)	57	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>55</b>	<b>151</b>	<b>184</b>	<b>390</b>	<b>11,789</b>
Actuarial gains and losses on defined benefit pension schemes		-	44	-	44	(173)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>55</b>	<b>195</b>	<b>184</b>	<b>434</b>	<b>11,616</b>
<i>Total funds at 1 September 2012</i>		14	(1,403)	11,533	10,144	(1,472)
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>69</b>	<b>(1,208)</b>	<b>11,717</b>	<b>10,578</b>	<b>10,144</b>

All activities relate to continuing operations.

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

The notes on pages 23 to 44 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£000	2013 £000	£000	2012 £000
<b>FIXED ASSETS</b>					
Tangible assets	19		11,820		11,607
<b>CURRENT ASSETS</b>					
Debtors	20	206		67	
Cash at bank		627		529	
		<u>833</u>		<u>596</u>	
<b>CREDITORS:</b> amounts falling due within one year	21	(327)		(318)	
<b>NET CURRENT ASSETS</b>			<u>506</u>		<u>278</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	28		(1,748)		(1,741)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>10,578</u>		<u>10,144</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	22	540		338	
Restricted fixed asset funds	22	11,717		11,533	
		<u>12,257</u>		<u>11,871</u>	
Restricted funds excluding pension liability				11,871	
Pension reserve		(1,748)		(1,741)	
			<u>10,509</u>		<u>10,130</u>
Total restricted funds			<u>10,509</u>		<u>10,130</u>
Unrestricted funds	22		69		14
<b>TOTAL FUNDS</b>			<u>10,578</u>		<u>10,144</u>

The financial statements were approved by the Trustees, and authorised for issue, on 27 November 2013 and are signed on their behalf, by:

**Robert Phillips, Chair of Governors**

**Clive Corbett, Accounting Officer/Staff Governor  
(Headteacher)**

The notes on pages 23 to 44 form part of these financial statements.

**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	Year ended 31 August 2013 £000	<i>15 months ended 31 August 2012 £000</i>
Net cash flow from operating activities	24	179	413
Returns on investments and servicing of finance	25	6	2
Capital expenditure and financial investment	25	(87)	(121)
<b>INCREASE IN CASH IN THE YEAR</b>		<u>98</u>	<u>294</u>

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

	Year ended 31 August 2013 £000	<i>15 months ended 31 August 2012 £000</i>
Increase in cash in the year	<u>98</u>	<u>294</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>98</b>	<b>294</b>
Net funds at 1 September 2012	<u>529</u>	<u>235</u>
<b>NET FUNDS AT 31 AUGUST 2013</b>	<u><b>627</b></u>	<u><b>529</b></u>

The notes on pages 23 to 44 form part of these financial statements.



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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

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**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 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 the Education Funding Agency/Department for Education/sponsorship/other 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.

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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**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.

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.

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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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 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.

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.

**1.6 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 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:

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

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**PERSHORE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 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.

**1.9 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 28, 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.

**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

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

**2. VOLUNTARY INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Other donations	32	-	32	82
Transfer from predecessor school	-	-	-	11,632
	<u>32</u>	<u>-</u>	<u>32</u>	<u>11,714</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Music tuition	10	-	10	8
Hire of Facilities	4	-	4	4
Examination fees and sundry sales	92	-	92	114
Catering income	5	-	5	194
Cross charging income	86	-	86	-
	<u>197</u>	<u>-</u>	<u>197</u>	<u>320</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Investment income	6	-	6	2
	<u>6</u>	<u>-</u>	<u>6</u>	<u>2</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Educational Operations Direct	-	6,569	6,569	7,421
	<u>-</u>	<u>6,569</u>	<u>6,569</u>	<u>7,421</u>

**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

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

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

**Pershore High School**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
<b>DfE/EFA grants</b>				
General Annual Grant	-	6,037	6,037	7,221
Start Up Grants	-	-	-	25
Other DfE/EFA Grants	-	25	25	2
Special Educational Projects	-	134	134	86
Devolved Formula Capital Allocation	-	373	373	87
	<u>-</u>	<u>6,569</u>	<u>6,569</u>	<u>7,421</u>

**6. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Direct costs - Fundraising	99	49	148	-
	<u>99</u>	<u>49</u>	<u>148</u>	<u>-</u>

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Educational Operations Direct	65	5,103	5,168	7,469
Educational Operations Allocated	11	991	1,002	-
	<u>76</u>	<u>6,094</u>	<u>6,170</u>	<u>7,469</u>

**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

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

**7. EXPENDITURE BY CHARITABLE ACTIVITY (continued)**

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	<i>Total 2012 £000</i>
Educational Operations Direct	4,299	123	746	5,168	7,469
Educational Operations Allocated	630	74	298	1,002	-
	<u>4,929</u>	<u>197</u>	<u>1,044</u>	<u>6,170</u>	<u>7,469</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Governance Auditors' remuneration	-	8	8	5
Governance Auditors' non audit costs	-	2	2	2
Direct costs - Governance	-	16	16	-
Support costs - Governance	-	-	-	17
Wages and salaries	5	65	70	73
	<u>5</u>	<u>91</u>	<u>96</u>	<u>97</u>

**9. OTHER RESOURCES EXPENDED**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Deficit due to predecessor school	-	-	-	102

**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

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

**10. DIRECT COSTS**

	Basis of Allocation	Fundraising costs £000	Governance £000	Educational Operations £000
Educational Supplies	Direct	-	-	108
Examination Fees	Direct	-	-	266
Other Direct Costs	% of use	50	-	169
Other Direct Costs	Direct	-	-	2
Insurance	% of use	12	3	37
Security and Transport	Direct	-	-	2
Advertising	Direct	-	-	18
Travel	Direct	-	-	44
ICT	% of use	29	10	30
Telephone	% of use	4	1	3
Printing and stationery	% of use	4	2	16
Professional fees	Direct	-	-	51
Wages and salaries	Direct	-	-	3,531
National insurance	Direct	-	-	269
Pension cost	Direct	-	-	499
Depreciation	% of use	49	-	123
		<u>148</u>	<u>16</u>	<u>5,168</u>
		<u><u>148</u></u>	<u><u>16</u></u>	<u><u>5,168</u></u>
		<b>Educational Operations £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
Educational Supplies		-	108	127
Examination Fees		-	266	246
Other Direct Costs		90	309	540
Other Direct Costs		-	2	-
Insurance		17	69	70
Security and Transport		1	3	1
Advertising		4	22	17
Travel		-	44	53
ICT		49	118	91
Telephone		7	15	7
Printing and stationery		8	30	56
Professional fees		51	102	121
Wages and salaries		-	3,531	4,206
National insurance		-	269	316
Pension cost		-	499	583
Depreciation		74	246	233
		<u>301</u>	<u>5,633</u>	<u>6,667</u>
		<u><u>301</u></u>	<u><u>5,633</u></u>	<u><u>6,667</u></u>



**PERSHORE HIGH SCHOOL**  
(A company limited by guarantee)

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

**11. SUPPORT COSTS**

	Basis of Allocation	Governance £000	Educational Operations £000	Total 2013 £000	Total 2012 £000
Net pension finance cost	Direct	-	70	70	93
Sundry costs	Direct	-	1	1	3
Wages and salaries	% of use	59	539	598	595
National insurance	% of use	3	29	32	34
Pension cost	% of use	9	62	71	150
Subtotal		<u>71</u>	<u>701</u>	<u>772</u>	<u>875</u>
Other support costs		-	-	-	17
		<u>71</u>	<u>701</u>	<u>772</u>	<u>892</u>

**12. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	Total 2012 £000
Costs of generating voluntary income	-	49	99	148	287
<b>Costs of generating funds</b>	<u>-</u>	<u>49</u>	<u>99</u>	<u>148</u>	<u>287</u>
Educational Operations Direct	4,299	123	746	5,168	6,277
Educational Operations Allocated	-	74	227	301	906
Support costs - Educational Operations	630	-	71	701	709
<b>Charitable activities</b>	<u>4,929</u>	<u>197</u>	<u>1,044</u>	<u>6,170</u>	<u>7,892</u>
<b>Governance</b>	<u>70</u>	<u>-</u>	<u>26</u>	<u>96</u>	<u>95</u>
	<u>4,999</u>	<u>246</u>	<u>1,169</u>	<u>6,414</u>	<u>8,274</u>

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**13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2013 £000	Support costs 2013 £000	Total 2013 £000	<i>Total</i> 2012 £000
Educational Operations Direct	5,168	-	5,168	6,277
Educational Operations Allocated	301	701	1,002	906
	<u>5,469</u>	<u>701</u>	<u>6,170</u>	<u>7,183</u>
Total	<u>5,469</u>	<u>701</u>	<u>6,170</u>	<u>7,183</u>

**14. NET INCOMING RESOURCES**

This is stated after charging:

	Year ended 31 August 2013 £000	<i>15 months ended 31 August 2012 £000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	247	233
Auditors' remuneration	8	5
Auditors' remuneration - non-audit	2	2
Operating lease payments	26	26
	<u>283</u>	<u>266</u>

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**15. STAFF COSTS**

Staff costs were as follows:

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
Wages and salaries	4,081	4,756
Social security costs	301	351
Other pension costs (Note 28)	571	733
	<u>4,953</u>	<u>5,840</u>
Supply teacher costs	48	45
	<u><u>5,001</u></u>	<u><u>5,885</u></u>

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

	<b>Year ended 31 August 2013 No.</b>	<i>15 months ended 31 August 2012 No.</i>
Teachers	73	96
Administration and support	48	48
Management	7	7
	<u>128</u>	<u>151</u>

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

	<b>Year ended 31 August 2013 No.</b>	<i>15 months ended 31 August 2012 No.</i>
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	3	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	1	0
	<u>6</u>	<u>2</u>

80 (2012: 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 (2012: £284,880). 72 (2012: 67) other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £198,632 (2012: £221,669.)

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**16. TRUSTEES' REMUNERATION AND EXPENSES**

During the Year retirement benefits were accruing to 5 Trustees (2012 - 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:

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)	<b>100-105</b>	<i>100-105</i>
Graham Booth, Staff Governor	<b>70-75</b>	<i>70-75</i>
Russell Dalton, Director Governor	<b>65-70</b>	<i>55-60</i>
Anita Iddon, Staff Governor	<b>45-50</b>	<i>50-55</i>
Guy Sampson, Staff Governor	<b>35-40</b>	<i>35-40</i>

During the Year ended 31 August 2013, expenses totalling £3 thousand (2012 - £3 thousand) were reimbursed to 3 Trustees (2012 - 5).

The comparative period is a term of 14 months. The above salaries are inclusive of both the gross salary and employers pension contributions for each employee.

**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 2013 was £1,905 (2012 - £2,077).

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

**18. OTHER FINANCE INCOME**

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
Expected return on pension scheme assets	<b>28</b>	<i>13</i>
Interest on pension scheme liabilities	<b>(98)</b>	<i>(106)</i>
	<b>(70)</b>	<i>(93)</i>
	<b>(70)</b>	<i>(93)</i>

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**19. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2012	11,775	28	37	11,840
Additions	397	-	63	460
At 31 August 2013	<u>12,172</u>	<u>28</u>	<u>100</u>	<u>12,300</u>
<b>Depreciation</b>				
At 1 September 2012	224	1	8	233
Charge for the Year	212	2	33	247
At 31 August 2013	<u>436</u>	<u>3</u>	<u>41</u>	<u>480</u>
<b>Net book value</b>				
At 31 August 2013	<u>11,736</u>	<u>25</u>	<u>59</u>	<u>11,820</u>
At 31 August 2012	<u>11,551</u>	<u>27</u>	<u>29</u>	<u>11,607</u>

**20. DEBTORS**

	2013 £000	2012 £000
Trade debtors	6	6
Other debtors	22	22
Prepayments and accrued income	178	39
	<u>206</u>	<u>67</u>

**21. CREDITORS:  
Amounts falling due within one year**

	2013 £000	2012 £000
Trade creditors	11	64
Other taxation and social security	171	165
Other creditors	-	30
Accruals and deferred income	145	59
	<u>327</u>	<u>318</u>

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

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted funds</b>						
General Funds - all funds	14	235	(180)	-	-	69
	<u>14</u>	<u>235</u>	<u>(180)</u>	<u>-</u>	<u>-</u>	<u>69</u>
<b>Restricted funds</b>						
Restricted Funds - all funds	338	6,196	(5,937)	(57)	-	540
Pension reserve	(1,741)	-	(51)	-	44	(1,748)
	<u>(1,403)</u>	<u>6,196</u>	<u>(5,988)</u>	<u>(57)</u>	<u>44</u>	<u>(1,208)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	11,533	373	(246)	57	-	11,717
Total restricted funds	<u>10,130</u>	<u>6,569</u>	<u>(6,234)</u>	<u>-</u>	<u>44</u>	<u>10,509</u>
Total of funds	<u><u>10,144</u></u>	<u><u>6,804</u></u>	<u><u>(6,414)</u></u>	<u><u>-</u></u>	<u><u>44</u></u>	<u><u>10,578</u></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 2013.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**SUMMARY OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	14	235	(180)	-	-	69
Restricted funds	(1,403)	6,196	(5,988)	(57)	44	(1,208)
Restricted fixed asset funds	11,533	373	(246)	57	-	11,717
	<u>10,144</u>	<u>6,804</u>	<u>(6,414)</u>	<u>-</u>	<u>44</u>	<u>10,578</u>

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Tangible fixed assets	-	-	11,820	11,820	11,607
Current assets	69	714	50	833	597
Creditors due within one year	-	(174)	(153)	(327)	(317)
Provisions for liabilities and charges	-	(1,748)	-	(1,748)	(1,741)
	<u>69</u>	<u>(1,208)</u>	<u>11,717</u>	<u>10,578</u>	<u>10,144</u>

**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Continuing £000	Discontinued £000	Year ended 31 August 2013 Total £000	15 months ended 31 August 2012 £000
Net incoming resources before revaluations	390	-	390	11,789
Returns on investments and servicing of finance	(6)	-	(6)	(2)
Assets transferred in	-	-	-	(11,630)
Depreciation of tangible fixed assets	247	-	247	-
Capital grants from DfE	(373)	-	(373)	(87)
Increase in debtors	(138)	-	(138)	(68)
Increase in creditors	10	-	10	317
FRS 17 adjustments	49	-	49	94
<b>Net cash inflow from operations</b>			<u>179</u>	<u>413</u>

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**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>6</u>	<u>2</u>
	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(460)	(11,840)
Capital grants from DfE	373	87
Transfer from predecessor school	-	11,632
<b>Net cash outflow capital expenditure</b>	<u>(87)</u>	<u>(121)</u>

**26. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>1 September 2012 £000</b>	<b>Cash flow £000</b>	<b>Other non-cash changes £000</b>	<b>31 August 2013 £000</b>
Cash at bank and in hand:	<u>529</u>	<u>98</u>	<u>-</u>	<u>627</u>
<b>Net funds</b>	<u>529</u>	<u>98</u>	<u>-</u>	<u>627</u>

**27. 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 of 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.



**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. PENSION COMMITMENTS**

The Academy'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 2010.

Contributions amounting to £22,509 were payable to the scheme at 31 August 2013 (2012 - £20,703) 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). 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 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.

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

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 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 Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

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

**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 £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.

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

	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £000</b>	<i>Expected return at 31 August 2012 %</i>	<i>Fair value at 31 August 2012 £000</i>
Equities	7.00	563	7.00	288
Bonds	4.40	37	3.40	14
Property	5.70	-	6.00	-
Other	7.00	-	7.00	10
Cash	0.50	24	0.50	6
Government bonds	3.40	-	2.50	-
Total market value of assets		<u>624</u>		<u>318</u>
Present value of scheme liabilities		<u>(2,372)</u>		<u>(2,059)</u>
(Deficit)/surplus in the scheme		<u><u>(1,748)</u></u>		<u><u>(1,741)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
Present value of funded obligations	(2,372)	(2,059)
Fair value of scheme assets	<u>624</u>	<u>318</u>
Net liability	<u><u>(1,748)</u></u>	<u><u>(1,741)</u></u>

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**28. PENSION COMMITMENTS (continued)**

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

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
Current service cost	(175)	(177)
Interest on obligation	(98)	(106)
Expected return on scheme assets	28	13
	<hr/>	<hr/>
Total	<b>(245)</b>	<b>(270)</b>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	<b>73</b>	<b>(6)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>Year ended 31 August 2013 £000</b>	<i>15 months ended 31 August 2012 £000</i>
Opening defined benefit obligation	<b>2,059</b>	-
Current service cost	<b>175</b>	177
Interest cost	<b>98</b>	106
Contributions by scheme participants	<b>57</b>	65
Actuarial Losses	-	154
Liabilities assumed in a business combination	-	1,520
Benefits paid	<b>(17)</b>	37
	<hr/>	<hr/>
Closing defined benefit obligation	<b>2,372</b>	<b>2,059</b>
	<hr/> <hr/>	<hr/> <hr/>

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

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

	Year ended 31 August 2013 £000	15 months ended 31 August 2012 £000
Opening fair value of scheme assets	318	-
Expected return on assets	28	13
Actuarial gains and (losses)	44	(19)
Contributions by employer	194	222
Contributions by employees	57	65
Benefits paid	(17)	37
	<u>624</u>	<u>318</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £44,000 gain (2012 - £173,000 loss).

The Academy expects to contribute £194,000 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	90.50 %	90.20 %
Other bonds	4.30 %	6.00 %
Government bonds	0.10 %	- %
Cash / liquidity	2.00 %	3.80 %
Other	- %	- %
Other item - user input	3.10 %	- %

Worcester County Council Pension Fund - Pershore High School

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.50 %
Rate of increase in salaries	3.90 %	3.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %
Inflation assumption (CPI)	2.40 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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**28. 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:

	<b>2013</b>	2012
Retiring today		
Males	<b>22.5</b>	22.4
Females	<b>25</b>	24.9
Retiring in 20 years		
Males	<b>24.3</b>	24.2
Females	<b>27</b>	26.9

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2013</b>	2012
	<b>£000</b>	£000
Defined benefit obligation	<b>(2,372)</b>	(2,059)
Scheme assets	<b>624</b>	318
Deficit	<b>(1,748)</b>	(1,741)
Experience adjustments on scheme liabilities	-	(154)
Experience adjustments on scheme assets	<b>44</b>	(19)

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.

**29. 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.

	<b>Year ended</b>	<i>15 months</i>
	<b>31 August</b>	<i>ended</i>
	<b>2013</b>	<i>31 August</i>
	<b>£</b>	<i>2012</i>
		<b>£</b>
Clive Corbett	<b>1,006</b>	1,102
Russell Dalton	<b>1,833</b>	1,575
Anita Iddon	<b>140</b>	144
Graham Booth	-	34
Guy Sampson	-	34