

Cathedral Primary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the period ended 31 August 2013

Cathedral Primary School

CONTENTS

	Page
LEGAL AND ADMINISTRATIVE INFORMATION	2
GOVERNORS' REPORT	3-6
GOVERNANCE STATEMENT	7
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE	8-9
STATEMENT OF GOVERNORS' RESPONSIBILITIES	10
INDEPENDENT AUDITOR'S REPORT	11-12
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT	13
BALANCE SHEET	14
CASH FLOW STATEMENT	15
NOTES TO THE FINANCIAL STATEMENTS	16-23
INDEPENDENT AUDITOR'S REPORT ON REGULARITY	24

Cathedral Primary School

LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL STATUS

Exempt Charity regulated by the Secretary of State for Education under the Academies Act of 2011.
Company Limited by Guarantee Number 08189748 (England and Wales).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

College Square
Bristol
BS1 5TS

GOVERNORS

SR Parsons (Chairman) (appointed 23 August 2012)
SP Atkinson (appointed 23 August 2012)
EC Benzecry (appointed 8 October 2012)
N Blundell (appointed 23 August 2012)
The Very Reverend Dr DM Hoyle MA PhD, Dean of Bristol (appointed 18 April 2013)
I M Robinson (appointed 23 August 2012)
BR Knight (appointed 8 October 2012)
CJ Sims (appointed 5 August 2013)
S Yarnold (appointed 5 August 2013)

The individuals listed above are the trustees of the charity, directors of the company and are also known as Governors. Throughout the report of the directors they will be referred to as Governors.

COMPANY SECRETARY

I M Robinson FCA

BANKERS

Allied Irish Bank, 19 Whiteladies Road, Clifton, Bristol. BS8 1PB

OFFICERS

Headteacher – S Yarnold
Finance Director and Accounting Officer – C Sims

SOLICITORS

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol BS1 5WS

AUDITOR

Crowe Clark Whitehill LLP, Chartered Accountants, Carrick House, Lypiatt Road, Cheltenham, GL50 2QJ.

Cathedral Primary School

GOVERNORS' REPORT *(continued)*

GOVERNORS' REPORT

The Governors present their first annual report together with the financial statements and auditor's report of the Charitable Company for the period ended 31 August 2013.

The financial statements have been prepared in accordance with the accounting policies on pages 19-22 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction, (August 2012).

Structure, Governance and Management

Constitution

Cathedral Primary School ("the Academy") is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 23 August 2012 and the Academy opened on 1 September 2013. The Academy is a free school.

The Governors act as the trustees for the charitable activities of the Academy and as directors of the Charitable Company for the purposes of Company law. The Charitable Company is incorporated as Cathedral Primary School.

Details of the Governors who served the Academy during 2012/13, and current Governors, are included on page 2.

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.

Governors' Indemnities

As disclosed in note 12, professional indemnity insurance is paid on behalf of the directors of the Academy.

Principal Activities

The Academy is a primary school with an emphasis in music for children aged 4 -11. The Academy is filling places in successive years from the youngest age group upwards. 30 children commenced their education on 2 September 2013. Subject to agreement with the Department for Education, the Academy will admit 60 children aged 4 from September 2015 and consequently will attain capacity in September 2021.

Method of Recruitment and Appointment or Election of Governors

The Academy's Board is subject to retirement by rotation. Governors are eligible for re-election at the meeting at which they retire. The Governors to retire are those who have served the longest in office since their appointment or re-election. New Governors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any governor is 4 years, although this time limit does not apply to the Principal.

Cathedral Primary School

GOVERNORS' REPORT *(continued)*

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there will normally only be two or three new Governors a year, induction will be done informally and will be tailored specifically to the individual. Mentoring of new Governors will also be offered, as appropriate, during the first year following appointment.

Organisation Structure

During 2012/13, the Governance structure has not been established as the Academy has been in set up phase with no children or employees. A Project Steering Group was established to monitor progress and take relevant decisions during this phase. Given the small size of the school currently, the Governors consider that all material matters of concern can be considered at Full Governing Body meetings and consequently no committees have been established. The organisation structure will be subject to annual review.

Risk Management

The Governors have considered the major risks to which they are exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Governors have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, (including school trips and the school's minibus), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as explained in the Statement on Internal Control.

Connected and related entities

The following related entities have not been incorporated in these financial statements as their activities are not under the control of the Governors of Cathedral Primary School:

- The Cathedralians
- Bristol Cathedral School Parents Association
- The Choral Foundation
- Bristol Cathedral School
- Bristol Cathedral Choir School

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of the Cathedral Primary School as a Faith Academy to provide education for pupils of different abilities between the ages of 4 and 11 with an emphasis on music.

The objects of the Academy are set out in the Company's Articles of Association, namely: "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 and carrying on, managing and developing a school offering a broad and balanced curriculum with a strong emphasis on, but not limited to, music and which will provide religious instruction to its pupils in accordance with the tenets of the Church of England."

Cathedral Primary School

GOVERNORS' REPORT *(continued)*

Public Benefit

In setting objectives and planning the Academy's activities, the Governors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

Achievements and performance

The Academy opened on 1 September 2013, accepting 30 children in Reception. The number of applicants substantially exceeded the capacity, reflecting the confidence of the populace from the local area and beyond in the potential of the Academy to provide a high standard of education.

Going Concern

After consideration of the school's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Governors have a reasonable expectation that the Academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2013/14 and for the foreseeable future. For this reason the Academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

Financial Review and Results for the Year

Key financial performance indicators and financial report for the year

All of the Academy's income is obtained from the Department for Education ("DfE") in the form of a grant towards set up costs. The grant received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Principal Risks and Uncertainties

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Reserves policy

The Trustees have reviewed the reserves policy and the level of reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of reserves which are not invested in tangible fixed assets should be equivalent to four weeks expenditure, being estimated as £20,000. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

The Academy identifies that the value of free reserves available for non-educational purposes is £nil.

Investment Policy

Investments vehicles are approved by Governors. The Academy currently uses low risk bank deposits in line with Governor's policy.

Cathedral Primary School

GOVERNORS' REPORT *(continued)*

Plans for Future Periods

The Academy's key aims are:

- To maintain interest from the local and wider community in the education being offered such that the places available are filled easily;
- To develop a reputation for delivering a high quality primary education; and
- To secure premises for use in the long-term that are fit for purpose

Funds held as Custodian Trustee on behalf of others

Neither the Academy nor the Governors are acting as third party custodial trustees.

Auditor

In so far as the Governors are aware:

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

The auditors, Crowe Clark Whitehill LLP were appointed during the year and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Governors was approved by the members of the Governing Body on 12 December 2013 and signed on its behalf by:

.....
Stephen Parsons
Chairman

Cathedral Primary School

GOVERNANCE STATEMENT

GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Cathedral Primary School (“the Academy”) 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 the Academy’s 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information included here supplements that described in the Governors’ Report and in the Statement of Governors’ Responsibilities.

The establishment of the Academy was overseen by a Project Steering Group, whose activities and responsibilities have now ceased. Ongoing governance is set out in the Organisation Structure on page 4.

Cathedral Primary School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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, so the Academy is supported in achieving its policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised, to consider the impact should they be realised, and to manage these risks effectively, efficiently and economically. The system of internal control has been established and is in place up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governors have 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 Governors are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that have been in place for the period ending 31 August 2013 and up to the date of the 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 Governors;
- Regular reviews by the General Purpose and Finance sub committee of reports which indicate financial performance against 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; and
- Identification and management of risks.

The Governors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr Mike Lea as Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems, (as set out in the Academies Financial Handbook 2013). On a regular basis, the Responsible Officer reports to the Governors on the operation of the systems of control and the discharge of the Governors' financial responsibilities. There are no material control issues resulting from any of these reviews.

Review of Effectiveness

The Project Steering Group has been advised of financial matters including internal control during the year.

Approved by order of the members of the Governing Body on 12 December 2013 and signed on its behalf by:

.....
Stephen Parsons
Chairman

.....
Christopher Sims
Accounting Officer

Cathedral Primary School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cathedral Primary School I have considered my responsibility to notify the Academy's 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.

I confirm that I and the Academy's 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.

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

.....
Christopher Sims
Accounting Officer

Cathedral Primary School

STATEMENT OF GOVERNORS' RESPONSIBILITIES

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for charitable activities of Cathedral Primary School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors 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 Governors 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 have been applied for the purposes intended.

The Governors 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 12 December 2013 and signed on its behalf by:

.....
Stephen Parsons
Chairman

Cathedral Primary School

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Cathedral Primary School.

We have audited the financial statements of Cathedral Primary School for the period ended 31 August 2013 set out on pages 16 to 33. 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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the charitable company for the purpose 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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, including the Annual Accounts Direction 2013 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Cathedral Primary School

INDEPENDENT AUDITOR'S REPORT

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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House,
Lypiatt Road,
Cheltenham, GL50 2QJ

12 December 2013

Cathedral Primary School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) for the period ended 31 August 2013

	Restricted Funds 2013 £000	Total Funds 2013 £000
	Notes	
Incoming resources		
Incoming resources from charitable activities		
Funding for the Academy's educational operations	220	220
Total incoming resources	<u>220</u>	<u>220</u>
RESOURCES EXPENDED		
Charitable activities		
Academy's educational operations	29	31
Governance costs	121	119
Total resources expended	<u>150</u>	<u>150</u>
Net incoming resources before transfers	<u>70</u>	<u>70</u>
Net incoming resources before other recognised gains and losses	<u>70</u>	<u>70</u>
Other recognised gains and losses		
Actuarial (losses)/gains on defined benefit pension schemes	-	-
Net movement in funds	<u>70</u>	<u>70</u>
Total funds brought forward	-	-
Total funds carried forward	<u>70</u>	<u>70</u>

All of the academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Cathedral Primary School

BALANCE SHEET
as at 31 August 2013

		2013
	Notes	£000
FIXED ASSETS		
Tangible Fixed Assets	8	<u>49</u>
CURRENT ASSETS		
Debtors	9	24
Cash at bank and in hand		<u>17</u>
		<u>41</u>
CREDITORS: Amounts falling due within one year	10	(20)
		<u>21</u>
NET CURRENT ASSETS		<u>21</u>
Total assets less current liabilities		70
		<u>70</u>
NET ASSETS		<u><u>70</u></u>
FUNDS		
Restricted funds		
Restricted general fund		<u>70</u>
TOTAL RESTRICTED FUNDS		70
TOTAL UNRESTRICTED FUNDS		-
TOTAL FUNDS	11	<u><u>70</u></u>

The financial statements on pages 16 to 23 were approved by the Governors, and authorised for issue on 12 December 2013 and are signed on their behalf by:

.....
Stephen Parsons
Chairman

Registered company number 08189748

Cathedral Primary School

CASH FLOW STATEMENT

for the period ended 31 August 2013

	2013
	£000
Net cash inflow from operating activities	
Net surplus for the year	70
(Increase) in debtors	(24)
Increase in creditors	20
	<u>66</u>
Capital expenditure	
Purchase of tangible fixed assets	<u>(49)</u>
Net increase in cash	<u>17</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	At 1 September £000	cash flows £000	At 31 August £000
Cash in hand and at bank	-	17	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants receivable

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 ('GAG') income is treated on a receivable basis.

Fixed Asset Grants are included in the statement of financial activities on a received basis.

Grants received for a specific purpose are matched with corresponding expenditure as far as possible and carried forward as restricted fund insofar as received before corresponding expenditure is incurred.

- Sponsorship income

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

- Donations

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

- Other income

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

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 31 August 2013

1 STATEMENT OF ACCOUNTING POLICIES *(continued)*

- Donated Services and gifts in kind

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 Academy's policies.

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

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

- Charitable activities

These are costs incurred on the Academy's educational operations.

- Governance Costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT where applicable.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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.

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

Long leasehold land and buildings	Over the period of the lease or 50 years whichever is shorter
Furniture, fixtures and equipment	Over 5 years
ICT equipment	Over 3 years
Motor vehicles	Over 3 years

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 31 August 2013

1 STATEMENT OF ACCOUNTING POLICIES *(continued)*

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, 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 21, 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 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 until 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.

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the period ended 31 August 2013

1 STATEMENT OF ACCOUNTING POLICIES (*continued*)

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 Governors.

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

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

Cathedral Primary School
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the period ended 31 August 2013

2 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
DfE lead in grant	-	220	220
	-	220	220

3 RESOURCES EXPENDED

	Staff and related costs £000	Depreciation £000	Other Costs £000	Total 2013 £000
Academy's educational operations				
Direct costs	-	-	15	15
Support costs	-	-	14	14
	-	-	29	29
Governance costs	-	-	121	121
	-	-	150	150

Included in the Income and Expenditure Account and in other costs are:

Audit Fees	2
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4 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
DIRECT COSTS			
Educational supplies	-	10	10
Other direct costs	-	5	5
	-	15	15
SUPPORT COSTS			
Maintenance of premises and equipment	-	1	1
Other support costs	-	13	13
	-	14	14
TOTAL	-	29	29

5 GOVERNANCE COSTS

	2013 £000
Audit fees	2
Set up costs	119
Total Governance costs	121

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 31 August 2013

6 GOVERNORS' REMUNERATION, BENEFITS AND EXPENSES

Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. The Headteacher received no remuneration in the year. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors.

7 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost is part of a larger premium and not identifiable separately.

8 FIXED ASSETS

	Furniture & equipment £000	ICT equipment £000	Minor Building Works £000	TOTAL £000
COST:				
At 1 September	-	-	-	-
Additions	14	18	17	49
Disposals	-	-	-	-
At 31 August	14	18	17	49
DEPRECIATION:				
At 1 September	-	-	-	-
Provided in year	-	-	-	-
At 31 August	-	-	-	-
NET BOOK VALUE:				
At 1 September	-	-	-	-
At 31 August	14	18	17	49

As all expenditure was incurred just before year-end in respect of assets brought into use after the year-end, Governors consider that no depreciation should be applied.

9 DEBTORS

	2013
	£000
Other debtor	24
	24

10 CREDITORS

	2013
	£000
Accruals	20
	20

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 31 August 2013

11 RESTRICTED AND UNRESTRICTED FUNDS

	Balance at 1 September 2012 £000	Incoming resources £000	Resources Expended £000	Balance at 31 August 2013 £000
Restricted General Funds				
Set up Grant	-	220	(150)	70
Total Restricted Funds	-	220	(150)	70
Unrestricted funds	-	-	-	-
Total funds	-	220	(150)	70

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Fixed assets	-	49	-	49
Current assets	-	41	-	41
Current liabilities	-	(20)	-	(20)
Pension Scheme liability	-	-	-	-
	-	70	-	70

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

Restricted General Funds:

These funds represent grants received for the establishment of the Academy's operational activities and development and the related expenditure.

13 CAPITAL COMMITMENTS

	2013 £000
Contracted for, but not provided in the financial statements	198

14 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have 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.

The Academy received administrative and set up assistance during the year to the value of £51,595 from Bristol Cathedral Choir School, of which amount £8,084 was owing at the year-end.

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 31 August 2013

15 MEMBERS' LIABILITY

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

Cathedral Primary School

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF CATHEDRAL PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

for the year ended 31 August 2013

In accordance with the terms of our engagement letter dated 12 November 2013 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 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.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction 2013 issued by the EFA.

Opinion

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

Guy Biggin
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Crowe Clark Whitehill LLP
Carrick House,
Lypiatt Road,
Cheltenham, GL50 2QJ

12 December 2013

THE ABOVE REPORT DOES NOT FORM PART OF THE STATUTORY ACCOUNTS
