

Cathedral Primary School

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2014

Cathedral Primary School

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Cathedral Primary School

REFERENCE AND ADMINISTRATIVE DETAILS

Company Limited by Guarantee Number 08189748 (England and Wales).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

College Square
Bristol
BS1 5TS

MEMBERS

Bristol Cathedral School (Corporate Member)
SR Parsons
S P Anson
C Bridgman
I Wightwick
S Hampton

TRUSTEES

SR Parsons (Chairman)
SP Atkinson
EC Benzecry (resigned 4 June 2014)
N Blundell (Executive Principal)
DM Hoyle MA PhD, Dean of Bristol
BR Knight
PC Knowles (appointed 22 November 2013)
CJ Sims
S Yarnold (Headteacher)
W Shield (appointed 13 October 2014)

Clerk to the Trustees: P Parker

The individuals listed above are the Trustees of the Charity and are also known as the Directors of the Company. The individuals will be referred to as Trustees throughout the annual report.

COMPANY SECRETARY

I M Robinson FCA (resigned 28 April 2014)

BANKERS

Allied Irish Bank
19 Whiteladies Road
Clifton
Bristol
BS8 1PB

OFFICERS

Headteacher – S Yarnold
Accounting Officer – S Yarnold

SOLICITORS

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Cathedral Primary School

TRUSTEES' REPORT *(continued)*

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates an Academy for students in the Bristol area aged 4 to 11. The Academy is a primary school specialising in music and choral singing.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Cathedral Primary School are also the Directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details 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.

Trustees' indemnities

As disclosed in note 9, professional indemnity insurance is paid on behalf of the Trustees and officers of the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Cathedral Primary School

TRUSTEES' REPORT *(continued)*

Organisational Structure

The management structure consists of two levels: the Trustees and the senior management team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Academy's elected and nominated Trustees are appointed at a meeting of the Trustees. The composition of the Trustees is specified in the Articles of Association of the Academy. Whilst there are a number of provisions to appoint Trustees in varying circumstances the normal membership will be:-

A minimum of 3 Trustees but not subject to a maximum – made up as follows:-

Sponsor Trustees	6
Parent Trustee	2
Staff Trustee	1
The Principal	(acting ex-officio)
The Dean	(acting ex-officio)
Co-opted	3

The role of the sponsor, Bristol Cathedral School, is to oversee the academic and financial performance of the Academy, and to appoint eight of the Trustees. The Trustees are responsible for setting the Academy's policies, adopting the Academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

Given the small size of the Academy currently, the Trustees consider that all material matters of concern can be considered at Full Governing Body meetings and consequently no committees have been established. The organisational structure will be subject to annual review. Day to day management is delegated to the Headteacher.

Connected Organisations including Related Party Relationships

Although each is a separate trust, the financial statements of Bristol Cathedral Choir School ('BCCS') and of Cathedral Primary School are consolidated within the financial statements of the sponsor of both trusts: Bristol Cathedral School. The Academies share some facilities and the services of the Principal of BCCS and of educational, administrative and financial functions as appropriate. Costs are shared on an equitable basis.

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of 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."*

Objectives, Strategies and Activities

The main objectives for the year have been to establish sound learning and the systems and processes to ensure the monitoring and progress of the students.

Public Benefit

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

Cathedral Primary School

TRUSTEES' REPORT *(continued)*

Principal Risks and Uncertainties

The Trustees have a risk management process to identify, monitor, and manage 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.

The Trustees consider there to be minimal risk from exposure to financial instruments, as all the monetary assets are retained in cash or short-term deposits. Credit risk is immaterial.

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 Trustees are acting as third party custodial Trustees.

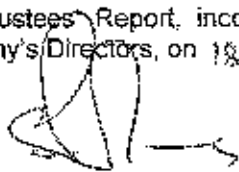
Auditor

in so far as the Trustees are aware:

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

The auditor, Crowe Clark Whitehill LLP is willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of the Trustees, as the company's Directors, on 18 December 2014 and signed on the board's behalf by:



.....
Stephen Parsons
Chairman

Cathedral Primary School

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, 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 Trustees have 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 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 Headteacher is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

- S Parsons 6 meetings attended out of a possible 6
- S Yarnold 6 meetings attended out of a possible 6
- N Blundell 5 meetings attended out of a possible 6
- B Knight 6 meetings attended out of a possible 6
- D Hoyle 5 meetings attended out of a possible 6
- C Sims 5 meetings attended out of a possible 6
- S Atkinson 4 meetings attended out of a possible 6
- P Knowles 3 meetings out of a possible 3

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 in place at the Academy for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Cathedral Primary School

GOVERNANCE STATEMENT

Capacity to Handle Risk

The Trustees 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 Trustees 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 from 1 September 2013 to 31 August 2014 and up to the date of the approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- Regular reviews by the Board of Trustees of reports which indicate financial performance against the forecast 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 Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees 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, and reviewing compliance with the Academies Financial Handbook. On a regular basis, the Responsible Officer reports to the Trustees on the operation of the systems of control and the discharge of the Trustees' financial responsibilities. There are no material control issues resulting from any of these reviews.

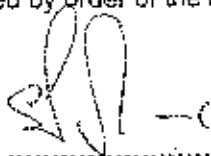
Review of Effectiveness

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

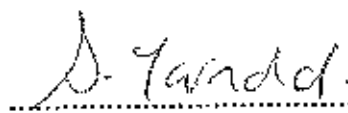
- The work of the Responsible Officer;
- The work of the external auditor; and
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Trustees on 18 December 2014 and signed on its behalf by:



Stephen Parsons
Chairman



Sara Yarnold
Accounting Officer

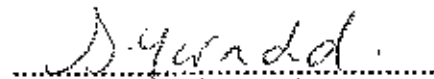
Cathedral Primary School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cathedral Primary School I have considered my responsibility to notify the Academy's Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and EFA.



Sara Yarnold
Accounting Officer

Date 18 December 2014

Cathedral Primary School

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2014 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 2014 set out on pages 16 to 31. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the 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 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 Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees' Report including the Strategic 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 2014 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 Academies Accounts Direction 2013 to 2014 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 Trustees' Report including the Strategic 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date 19 December 2014

Cathedral Primary School

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CATHEDRAL PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the Academy Trust 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 Academy Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Academy Trust's Accounting Officer and the Reporting Accountant

The governing body is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State of Education 17 June 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Handbook and the Accounts Direction 2013 to 2014 issued by the EFA. We have 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 Trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

Cathedral Primary School

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CATHEDRAL PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

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

Alex Clark Whitehill Ltd

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date *19 December 2014*

Cathedral Primary School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) for the year ended 31 August 2014

	Notes	Unrestricted Funds £000	Restricted Fixed Asset Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources						
Incoming resources from generated funds:						
Activities for generating funds	2	6	-	-	6	-
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	3	-	352	106	458	220
Total incoming resources		6	352	106	464	220
Resources expended						
Costs of generating funds	4	4	-	-	4	-
Charitable activities:						
Academy's educational operations	5	-	277	39	316	29
Governance costs	6	-	6	-	6	121
Total resources expended	4	4	283	39	326	150
Net (outgoing)/incoming resources before transfers						
		2	69	67	138	70
Transfers between funds	13	-	(17)	17	-	-
Net incoming/(outgoing) resources for the year		2	52	84	138	70
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	15	-	(1)	-	(1)	-
Net movement in funds		2	51	84	137	70
RECONCILIATION OF FUNDS:						
Total funds brought forward at 1 September 2013		-	70	-	70	-
Total funds carried forward at 31 August 2014	13	2	121	84	207	70

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

Cathedral Primary School

BALANCE SHEET

for the year ended 31 August 2014

Company number 08189748

		Year ended 31 August 2014	Period ended 31 August 2013
	Notes	£000	£000
Fixed assets			
Tangible assets	10	<u>84</u>	<u>49</u>
Current assets			
Debtors	11	14	24
Cash at bank and in hand		<u>145</u>	<u>17</u>
		159	41
Creditors			
Creditors: Amounts falling due within one year	12	<u>(32)</u>	<u>(20)</u>
Net current assets		<u>127</u>	<u>21</u>
Total assets less current liabilities (excluding pension scheme liability)		211	70
Pension scheme liability	15	(4)	-
Net assets including pension liability		<u><u>207</u></u>	<u><u>70</u></u>
Funds of the Academy Trust:			
Restricted funds			
Restricted fixed asset fund	13	84	-
Pension reserve	13	(4)	-
General funds	13	<u>125</u>	<u>70</u>
Total restricted funds		205	70
Unrestricted income funds			
General fund	13	2	-
Total funds		<u><u>207</u></u>	<u><u>70</u></u>

The financial statements on pages 16 to 31 were approved by the Trustees, and authorised for issue on 18 December 2014 and are signed on their behalf by:



Stephen Parsons
Chairman

Cathedral Primary School
CASH FLOW STATEMENT
for the year ended 31 August 2014

	Year ended 31 August 2014 £000	Period ended 31 August 2013 £000	
Net cash inflow from operating activities			
Operating surplus	138	70	
Depreciation (note 5)	39	-	
Capital grants from DfE and other capital income	(106)	-	
FRS 17 pension cost less contributions payable (note 15)	3	-	
Decrease/(increase) in debtors	10	(24)	
Increase in creditors	12	20	
	<u>96</u>	<u>66</u>	
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(74)	(49)	
Capital funding received	106	-	
	<u>32</u>	<u>(49)</u>	
Net increase in cash	<u>128</u>	<u>17</u>	
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013	17	-	
Net funds at 31 August 2014	<u>145</u>	<u>17</u>	
Analysis of Changes in Net Funds	At 1 September 2013	Cash flows	At 31 August 2014
Cash at bank and in hand	<u>17</u>	<u>128</u>	<u>145</u>

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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 2013 to 2014 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 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 company 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.

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 recognised in full in the year for which it is receivable and any net unspent amount is carried forward in the restricted general fund.

Capital grants are included in the statement of financial activities on a receivable basis and are not deferred over the life of the assets funded by the grants. Unspent amounts are included in restricted fixed asset fund.

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 and it is measurable.

- **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 year ended 31 August 2014

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 accounting 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 Trustee'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:

Furniture, fixtures and equipment	Over 5 years
ICT equipment	Over 3 years
Minor building works	Over the lesser of 10 years and the period over which benefit is expected to be derived from the works

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2014

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 and then a full year of depreciation is charged in that year.

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.

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 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 15, 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 year ended 31 August 2014

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 Trustees.

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.

Recognition of liabilities

Liabilities are recognised in the financial statements where either a constructive or legal obligation exists.

Cathedral Primary School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2014

2 Activities for generating funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Uniform sales	3	-	3	-
Other income	3	-	3	-
	6	-	6	-

3 Funding for the Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
DfE/EFA revenue grants				
General Annual Grant	-	256	256	-
Start up Grants	-	96	96	220
Capital Grants	-	106	106	-
	-	458	458	220

4 Resources expended

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2014 £000	Total 2013 £000
Costs of activities for generating funds Academy's educational operations	-	-	4	4	-
Direct costs	137	17	49	203	15
Allocated support costs	20	22	71	113	14
	157	39	124	320	29
Governance costs including allocated support costs	1	-	5	6	121
	158	39	129	326	150

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2014

5 Charitable Activities - Academy's Educational Operations

	Total 2014 £000	Total 2013 £000
Direct costs - educational operations		
Teaching and educational support staff costs	137	-
Depreciation	17	-
Technology costs	6	-
Educational supplies	16	10
Staff development	3	-
Educational consultancy	6	-
Other direct costs	18	5
	203	15
Support costs - educational operations		
Support staff costs	20	-
Depreciation	22	-
Maintenance of premises and equipment	10	1
Cleaning	6	-
Insurance	6	-
Security & transport	1	-
Catering	6	-
Other support costs	42	13
	113	14
Total direct and support costs	316	29

6 Governance costs

	Total 2014 £000	Total 2013 £000
Auditor's remuneration - audit of financial statements	5	2
Governors' reimbursed expenses	-	-
Set up costs	-	119
Support staff costs	1	-
	6	121

Cathedral Primary School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2014

7 Staff

a. Staff costs

Staff costs during the period were:

	2014	2013
	£000	£000
Wages & salaries	121	-
Social security costs	8	-
Pension costs	20	-
	<u>149</u>	<u>-</u>
Supply teacher costs	9	-
	<u>158</u>	<u>-</u>

b. Staff numbers

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

	2014	2013
	No.	No.
Charitable Activities		
Management	1	-
Administration & support	2	-
Teachers	1	-
	<u>4</u>	<u>-</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 were:

	2014	2013
	No.	No.
£60,001 - £70,000	1	-

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for this employee amounted to £7,911 (2013: £nil).

8 Related party transactions - Trustees' remuneration, benefits and expenses

The Headteacher only receives remuneration in respect of services she provides undertaking the role of Headteacher and not in respect of her services as a Trustee. The Executive Principal is not a direct employee of the Academy but is instead employed by Bristol Cathedral Choir School and the Academy is charged a management fee by Bristol Cathedral Choir School for his services as Executive Principal. During the year to 31 August 2014 and up to the date of approval of the financial statements, there has been no Staff Trustee. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of the Headteacher's remuneration was £56,109 in 2014 (2013: £nil). No Trustee received expenses during the year (2013: £nil).

9 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 £2,000,000 on any one claim. The cost is part of a larger premium and not identifiable separately. The cost of this insurance is included in the total insurance cost.

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2014

10 Fixed assets

	Minor building works £000	Furniture & equipment £000	ICT equipment £000	Total £000
Cost:				
At 1 September 2013	17	14	18	49
Additions	48	2	24	74
Disposals	-	-	-	-
At 31 August 2014	65	16	42	123
Depreciation:				
At 1 September 2013	-	-	-	-
Charged in year	22	3	14	39
At 31 August 2014	22	3	14	39
Net Book Value:				
At 31 August 2014	43	13	28	84
At 31 August 2013	17	14	18	49

11 Debtors

	2014 £000	2013 £000
Prepayments	8	-
VAT recoverable	6	24
	14	24

12 Creditors

	2014 £000	2013 £000
Trade creditors	22	-
Other taxation and social security	2	-
Accruals	6	20
Other creditors	2	-
	32	20

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2014

13 Restricted and Unrestricted Funds

	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Actuarial Losses and Transfers £000	Balance at 31 August 2014 £000
Restricted General Funds					
General Annual Grant	-	256	(117)	(14)	125
Start Up Grant	70	96	(166)	-	-
Pension Reserve	-	-	-	(4)	(4)
	<u>70</u>	<u>352</u>	<u>(283)</u>	<u>(18)</u>	<u>121</u>
Restricted Fixed Asset Funds					
Donated Fixed assets	-	-	-	-	-
Capital expenditure from GAG	-	-	-	-	-
EFA Capital Grants	-	106	(39)	17	84
	<u>-</u>	<u>106</u>	<u>(39)</u>	<u>17</u>	<u>84</u>
Total Restricted Funds	70	458	(322)	(1)	205
Unrestricted funds	-	6	(4)	-	2
Total funds	70	464	(326)	(1)	207

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

Restricted Fixed Asset Funds:

These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the School Building project.

Restricted General Funds:

These funds represent grants received for the Academy's operational activities and development and the related expenditure. The pension reserve relates to the Academy's share of the deficit to the Local Government Pension Scheme administered by Avon Pensions Service. The General Annual Grant (GAG) represents the core educational funding for the Academy from the EFA.

The accumulated start up grant has been fully utilised in the year.

Transfers between restricted funds

An amount of £17,000 has been transferred from restricted general funds to restricted fixed asset funds to facilitate the purchase of capital assets.

Cathedral Primary School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2014

14 Analysis of Net Assets between Funds

Fund balances at 31 August 2014 are represented by:	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	84	84
Current assets	2	157	-	153
Current liabilities	-	(32)	-	(26)
Pension scheme liability	-	(4)	-	(4)
Total net assets	2	121	84	207

15 Pension and Similar Obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon Pension Fund. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

Cathedral Primary School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2014

15 Pension and Similar Obligation (continued)

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £100,000, of which employer's contributions totalled £67,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years are 13.0 per cent for employers and an average of 6.5 per cent for employees depending on salary banding.

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.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Discount rate for scheme liabilities	4.6%	-
Inflation assumption (CPI)	2.4%	-
Rate of increase in salaries	3.9%	-
Rate of increase of pensions in payment/inflation	2.4%	-

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

	At 31 August 2014	At 31 August 2013
Retiring today - females	25.8	-
Retiring today - males	23.3	-
Retiring in 20 years - females	28.7	-
Retiring in 20 years - males	25.7	-

The expected rate of return on scheme assets were:

	Expected rate of return 31 August 2014	Expected rate of return 31 August 2013
	%	%
Equities	7.0	-
Government bonds	2.9	-
Other bonds	3.8	-
Property	6.2	-
Cash/liquidity	0.5	-
Other	7.0	-

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2014

15 Pension and Similar Obligation (continued)

The Academy's share of the assets and obligation in the scheme were:

	Value at 31 August 2014 £000	Value at 31 August 2013 £000
Equities	3	-
Government bonds	1	-
Other bonds	1	-
Property	1	-
Cash/liquidity	-	-
Other	1	-
Total market value of assets	7	-
Present value of scheme liabilities - funded	(11)	-
Deficit in the scheme	(4)	-

The actual return on scheme assets was £nil (2013: £nil)

Amounts recognised in the statement of financial activities:

	2014 £000	2013 £000
Current service cost (net of employee contributions payable)	8	-
Total operating charge	8	-

Reconciliation of pension costs less employer contributions payable:

	2014 £000	2013 £000
Current service cost (net of employee contributions)	8	-
Less employer contributions	5	-
	3	-

The actual gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £1,000 loss (2013: £nil).

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

	2014 £000	2013 £000
Benefit obligation at beginning of period	-	-
Current service cost	8	-
Interest on pension liabilities	-	-
Member contributions	2	-
Actuarial losses/(gains) on liabilities	1	-
Benefits paid	-	-
Benefit obligation at end of period	11	-

Cathedral Primary School

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2014

15 Pension and Similar Obligation (continued)

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

	2014 £000	2013 £000
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Actuarial gains on assets	-	-
Member contributions	2	-
Employer contributions	5	-
Benefits/transfers paid	-	-
Benefit obligation at end of period	7	-

The expected value of employer contributions for the year ended 31 August 2015 is £5,000.

The five year history of experience adjustments is as follows:

	2014 £000	2013 £000
Present value of defined benefit obligations	11	-
Fair value of share of scheme assets	7	-
(Deficit) in the scheme	4	-
Experience adjustments on share of scheme assets (£000)	-	-
Experience adjustments on scheme liabilities (£000)	-	-

14 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, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Academy received administrative and set up assistance during the year to the value of £36,591 from Bristol Cathedral Choir School, of which amount £2,704 was owing at the year-end.

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.

16 Ultimate controlling party

It is the opinion of the Board of Trustees that there is no ultimate controlling party.