

**Bristol Cathedral Choir School**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

Year ended 31 August 2014



# Bristol Cathedral Choir School

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# Bristol Cathedral Choir School

## REFERENCE AND ADMINISTRATIVE DETAILS

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Company Limited by Guarantee Number: 06516626 (England and Wales).

### REGISTERED OFFICE AND PRINCIPAL ADDRESS

College Square  
Bristol  
BS1 5TS

### TRUSTEES

Mr S R Parsons LIB FRSA DL (Chairman)  
Mr S Atkinson  
Mr E Benzecry  
Mr N Blundell (Principal)  
Reverend Canon R Bull  
Mr J Caddy (Parent Trustee)  
Canon A Holt BA, OBE  
Mrs S Rolt  
Dr D Hoyle MA PhD, Dean of Bristol  
Mrs M Spilsbury (resigned 17 January 2014)

Dr R Kennedy  
Mr B Knight  
Mr M Lea FCA  
Mrs C McConnell (resigned 30 April 2014)  
Mr I Pearse (Staff Trustee)  
Mrs G Pilgrim  
Mr I M Robinson FCA  
Canon N V Stanley (appointed 7 July 2014)  
Mr K J Norton (appointed 10 June 2014)

Clerk to the Trustees: Mrs A R Williams

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

The members of the General Purpose & Finance Committee were:

Mr I M Robinson (Committee Chairman)  
Mr S R Parsons  
Mr J Caddy  
Mr M Lea, Responsible Officer

Dr R Kennedy  
Mr N Blundell  
Mrs S Rolt  
Mr C Sims (in attendance as Finance Director;  
resigned 31 August 2014)

### COMPANY SECRETARY

I M Robinson FCA

### SENIOR MANAGEMENT TEAM

Principal – N Blundell  
Director of Specialism – E Bailey  
Vice Principals – P Atkins, R Moreton (appointed 1 September 2014)  
Assistant Principals – M Gunn, R Moreton (until 31 August 2014), A Steward, D Bugler  
Finance Director – C Sims (resigned 31 August 2014 and employed as a contractor since 1 September 2014)  
Head of Sixth Form - W Boyland

# Bristol Cathedral Choir School

## REFERENCE AND ADMINISTRATIVE DETAILS

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### BANK

Allied Irish Bank  
19 Whiteladies Road  
Clifton  
Bristol  
BS8 1PB

Barclays Bank PLC  
Bristol Broadmead  
Business Banking  
Leicester  
LE87 2BB

### SOLICITORS

Osborne Clarke  
Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

Veale Wasborough Vizards  
1-2 Orchard Court  
Bristol  
BS1 5WS

### INDEPENDENT AUDITOR

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

# Bristol Cathedral Choir School

## TRUSTEES' REPORT

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The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 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 11 to 19. The Academy is a mixed comprehensive school specialising in music and choral singing, and mathematics.

### **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 dated 27 February 2008 are the primary governing documents of the Academy Trust. The Trustees of Bristol Cathedral Choir 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 10, 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 'A Guide to the Law for School Trustees.' 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.

# Bristol Cathedral Choir School

## TRUSTEES' REPORT (continued)

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### 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	13 (of whom 5 are nominated by Dean and Chapter)
Parent Trustee	1
Staff Trustee	1
The Principal	(acting ex-officio)
The Dean	(acting ex-officio)
Local Authority Trustee	1
Co-opted	2

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.

The Trustees have established four sub-committees. Each sub-committee has its own terms of reference. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Trustees annually.

The sub-committees of the Trustees are as follows:

- General Purpose and Finance;
- Staffing;
- Education; and
- Fabric.

Day to day management is delegated to the executive team, which includes the Principal, Vice Principals and the Finance Director. During the year, the Trust procured the services of the Finance Director from The City Academy, Bristol under the terms of a service level agreement.

### Connected Organisations including Related Party Relationships

Although each is a separate Trust, the financial statements of Bristol Cathedral Choir School 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 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 the Bristol Cathedral Choir School as a Faith Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on music and mathematics.

# Bristol Cathedral Choir School

## TRUSTEES' REPORT (continued)

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### Objects and Aims (continued)

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 choral singing (including the provision of choristers for Bristol Cathedral) and which will provide religious instruction to its pupils in accordance with the tenets of the Church of England."*

### Objectives, Strategies and Activities

The main objectives for the year have been to maintain the excellence of the teaching and results, and to further the music specialism. One to one tuition targets those who can benefit most from this approach, and there is every opportunity for students to engage in musical activity, whether individually or as part of a group.

### 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.

## Strategic Report

### Achievements and Performance

#### Key Performance Indicators

The number of students has continued to grow and now stands at 776 as at 19 September 2014. Each new year 7 intake continues to be heavily oversubscribed by a factor of approximately 7:1. The September 2014 and 2015 intakes for year 7 are in line with the approved increase in Planned Admission Numbers ("PAN") to 120. By September 2018 the Academy is forecast to reach capacity at over 800 students.

The Academy again achieved good results at both GCSE and A level.

#### GCSE

77% of students gained at least five GCSEs at grades A\*-C including Mathematics and English with 34% of entries being graded A/A\*.

#### A Level

Results at A level were in line with expectations. Our AS students performed well which is expected to translate into strong A level results next year.

#### Going concern

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

# Bristol Cathedral Choir School

## TRUSTEES' REPORT (continued)

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### Financial Review

Most of the Academy's income is obtained from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure supporting the key objectives of the Trust are shown as restricted funds in the Statement of Financial Activities.

The financial position of the Trust is satisfactory. Despite making an operating deficit during the year of £436,000 (2013: £399,000), reserves and cash balances are satisfactory. The Academy has suffered financially since opening in 2008 from the fact that the EFA funds Academies based on lagged student numbers. This meant that in the 13/14 year the Academy was underfunded by 2 students in years 7-11 and 17 students in the Sixth Form, equating to underfunding of £81,000. From September 2015 the Academy is expected to be at or near capacity and this underfunding issue will no longer apply.

### Reserves Policy

The Trustees review annually 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 or held back to meet the LGPS liability should be equivalent to four weeks expenditure, being estimated as £300,000-£400,000. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. At 31 August 2014, such reserves totalled £301,000 (2013: £408,000).

The Academy identifies that the value of free reserves available for non-educational purposes is £125,000 (2013: £65,000).

Reserves include a pension deficit in respect of the Local Government Pension Scheme of £125,000. It is not anticipated that there will be a material adjustment to contributions to eliminate this deficit.

### Investment Policy

Investment vehicles are approved by Trustees. The Academy currently uses low risk bank deposits in line with Trustees' policy.

### 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.



# Bristol Cathedral Choir School

## TRUSTEES' REPORT (continued)

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### Plans for Future Periods

The Academy's key aims remain:

- to build on the Academy's reputation by offering a specialism in music linked to the provision of choristers for Bristol Cathedral, and a centre of musical excellence for the people of Bristol and the surrounding area;
- to continue to improve the Academy's infrastructure and learning environment, with completion of the replacement for the Fortune building;
- to increase pupil numbers year on year until full capacity of around 800 is reached in 2018;
- to make available to pupils from a wide variety of backgrounds and abilities the opportunities the Academy has to offer; and
- to maintain and improve the Academy's academic achievement as measured by external public examinations and related data.

### Funds Held as Custodian Trustee on Behalf of Others

Neither the Academy nor the Trustees are acting as third party custodial Trustees.

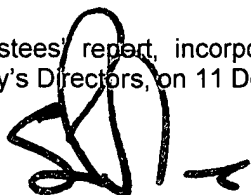
### Auditor

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 11 December 2014 and signed on the board's behalf by:



.....  
**Stephen Parsons**  
Chairman

# Bristol Cathedral Choir School

## GOVERNANCE STATEMENT

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### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Bristol Cathedral Choir 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 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 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 Trustees met 5 times during the year, including an Away Day. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
Stephen Parsons, DL, Chair of Trustees	5	5
Dr. Ros Kennedy, Vice Chair of Trustees, Chair of Staffing Committee	4	5
Canon Ann Holt, OBE, Chair of Education Committee	3	5
Mr Ian Robinson, Chair of General Purpose & Finance Committee	4	5
Mr Stephen Atkinson, Chair of Fabric Committee	3	5
Dr David Hoyle, Dean of Bristol	5	5
Canon Robert Bull, Canon Pastor	2	5
Mrs Suzanne Rolt	4	5
Mr Ben Knight	2	5
Mr Edward Benzecry	3	5
Mr Mike Lea	4	5
Mrs Gabrielle F. Pilgrim	3	5
Mrs Marilyn Spilsbury, BA Med	2	5
Mrs Claudia McConnell, LA Trustee	1	5
Mr James Caddy, Parent Trustee	2	5
Mr Ieuan Pearse, Staff Trustee	2	5
Mr Neil Blundell, Principal	5	5

# Bristol Cathedral Choir School

## GOVERNANCE STATEMENT *(continued)*

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The General Purpose & Finance Committee is a sub-committee of the main Trustees. Its principal purposes are to monitor the financial performance of the Academy, receive and respond to reports from the Responsible Officer and external auditors, and to consider and recommend the budget for the forthcoming year. Attendance at meetings during the year was as follows:

Trustee	Meetings Attended	Out of a Possible
Stephen Parsons, DL, Chair of Trustees	3	4
Dr. Ros Kennedy, Vice Chair of Trustees, Chair of Staffing Committee	3	4
Mr Ian Robinson, Chair of General Purpose & Finance Committee	4	4
Mr Neil Blundell, Principal	3	4
Mr Mike Lea	1	4
Suzanne Rolt	1	4
Mr James Caddy, Parent Trustee	3	4

### **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 year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

### **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 year ending 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 General Purpose and Finance 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.

# Bristol Cathedral Choir School

## GOVERNANCE STATEMENT *(continued)*

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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.

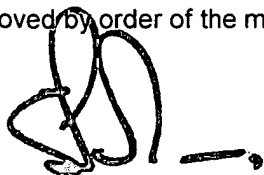
### Review of Effectiveness

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

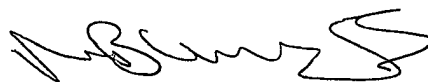
- the work of the Responsible Officer;
- the work of the external auditor;
- the Financial Management and Governance Evaluation self-assessment process; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Trustees on 11 December 2014 and signed on its behalf by:



.....  
**Stephen Parsons**  
Chairman



.....  
**Neil Blundell**  
Accounting Officer

# Bristol Cathedral Choir School

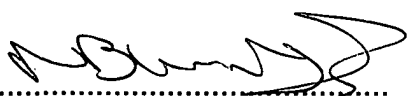
## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As Accounting Officer of Bristol Cathedral Choir School I have considered my responsibility to notify the Academy's 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 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.



.....  
**Neil Blundell**  
**Accounting Officer**

11 December 2014

# Bristol Cathedral Choir School

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 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 Trustees on 11 December 2014 and signed on its behalf by:



.....  
**Stephen Parsons**  
Chairman

# Bristol Cathedral Choir School

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL CATHEDRAL CHOIR SCHOOL

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We have audited the financial statements of Bristol Cathedral Choir School for the year ended 31 August 2014 set out on pages 18 to 36. 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 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 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 and to identify any information that is apparently materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the 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 2013-2014 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.

# Bristol Cathedral Choir School

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL CATHEDRAL CHOIR SCHOOL

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### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- 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: 22 December 2014



# Bristol Cathedral Choir School

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

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In accordance with the terms of our engagement letter dated 12 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by 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 Trustees and the EFA in accordance with the terms of our engagement. Our 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 Accounting Officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 3 March 2008 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 Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

# Bristol Cathedral Choir School

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

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### **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.

### **Crowe Clark Whitehill LLP**

Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

Date: 22 December 2014

# Bristol Cathedral Choir 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 Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2014 £000	Total 2013 £000
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Activities for generating funds	2	388	-	-	388	354
Investment income	3	2	-	-	2	2
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	4	-	3,993	192	4,185	4,088
<b>Total incoming resources</b>		<b>390</b>	<b>3,993</b>	<b>192</b>	<b>4,575</b>	<b>4,444</b>
<b>Resources expended</b>						
Charitable activities:						
Academy's educational operations	6	159	4,413	474	5,046	4,913
Governance costs	7	-	13	-	13	17
<b>Total resources expended</b>	5	<b>159</b>	<b>4,426</b>	<b>474</b>	<b>5,059</b>	<b>4,930</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>231</b>	<b>(433)</b>	<b>(282)</b>	<b>(484)</b>	<b>(486)</b>
Gross transfers between funds		(171)	57	114	-	-
<b>Net (expenditure)/income for the year</b>		<b>60</b>	<b>(376)</b>	<b>(168)</b>	<b>(484)</b>	<b>(486)</b>
Actuarial gains on defined benefit pension scheme	19	-	48	-	48	87
<b>Net movement in funds</b>		<b>60</b>	<b>(328)</b>	<b>(168)</b>	<b>(436)</b>	<b>(399)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward at 1 September 2013	15	65	203	13,395	13,663	14,062
<b>Total funds carried forward at 31 August 2014</b>	15	<b>125</b>	<b>(125)</b>	<b>13,227</b>	<b>13,227</b>	<b>13,663</b>

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

The notes on pages 21 to 36 form part of these financial statements.

# Bristol Cathedral Choir School

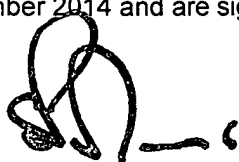
BALANCE SHEET  
as at 31 August 2014

Company number 06516626

		2014	2013
	Notes	£000	£000
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	<u>13,051</u>	<u>13,395</u>
<b>CURRENT ASSETS</b>			
Stock	12	10	11
Debtors	13	260	234
Cash at bank and in hand		<u>485</u>	<u>447</u>
		755	692
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(454)</u>	<u>(284)</u>
<b>NET CURRENT ASSETS</b>		<u>301</u>	<u>408</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES (excluding pension liability)</b>		13,352	13,803
Pension scheme liability	19	(125)	(140)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u>13,227</u>	<u>13,663</u>
<b>FUNDS</b>			
Restricted income funds			
Restricted fixed asset fund		13,227	13,395
Pension reserve		(125)	(140)
Restricted general fund		-	343
<b>TOTAL RESTRICTED FUNDS</b>		<u>13,102</u>	<u>13,598</u>
<b>TOTAL UNRESTRICTED FUNDS</b>		125	65
<b>TOTAL FUNDS</b>	15	<u>13,227</u>	<u>13,663</u>

The notes on pages 21 to 36 form part of these financial statements.

The financial statements on pages 18 to 36 were approved by the Trustees, and authorised for issue on 11 December 2014 and are signed on their behalf by:



.....  
**Stephen Parsons**  
Chairman

# Bristol Cathedral Choir School

## CASH FLOW STATEMENT

for the year ended 31 August 2014

### RECONCILIATION OF NET SURPLUS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2014 £000	2013 £000
<b>Net cash (outflow) from operating activities</b>		
Operating (deficit)	(484)	(486)
Depreciation (note 11)	474	629
Capital grants from DfE and other capital income	(192)	(108)
Interest receivable (note 3)	(2)	(2)
FRS 17 pension cost less contributions payable (note 19)	41	49
FRS 17 pension finance income (note 19)	(8)	(4)
Decrease in stocks	1	-
(Increase) in debtors	(26)	(110)
Increase in creditors	170	46
	<u>(26)</u>	<u>14</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>2</u>	<u>2</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(130)	(140)
Capital funding received	192	108
	<u>62</u>	<u>(32)</u>
<b>Net (decrease) in cash</b>	<u>38</u>	<u>(16)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Analysis of changes in net funds			
Cash in hand and at bank	447	38	485

The notes on pages 21 to 36 form part of these financial statements

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 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 unspent amount is carried forward in the restricted general fund.

Fixed Asset 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.

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 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 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 set out below. A full year of depreciation is charged in the year in which the asset is brought into use.

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 4 years
Minor building works	Over 10 years

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 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.

#### Leases

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 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 19, 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 reserves include a pension deficit in respect of the Local Government Pension Scheme of £125,000. It is not anticipated that there will be a material adjustment to contributions to eliminate this deficit. 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.



# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### **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.

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Catering income	156	-	156	144
Music tuition income	27	-	27	31
Uniform sales	16	-	16	18
Hire of premises	42	-	42	52
Other income	147	-	147	109
	<b>388</b>	<b>-</b>	<b>388</b>	<b>354</b>

### 3 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Interest received	2	-	2	2

### 4 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
<b>DfE/EFA revenue grants</b>				
General Annual Grant ('GAG')	-	3,851	3,851	3,584
Pupil premium		65	65	62
<b>DfE/EFA capital grants</b>				
Academies Capital Maintenance Fund	-	176	176	91
Devolved Formula Capital Grant	-	16	16	17
	<b>-</b>	<b>4,108</b>	<b>4,108</b>	<b>3,754</b>
Other Government Grants & LA SEN Funding	-	77	77	334
	<b>-</b>	<b>77</b>	<b>77</b>	<b>334</b>
<b>Total</b>	<b>-</b>	<b>4,185</b>	<b>4,185</b>	<b>4,088</b>

### 5 RESOURCES EXPENDED

	Staff and related costs £000	Depreciation £000	Other Costs £000	Total 2014 £000	Total 2013 £000
<b>Academy's educational operations</b>					
Direct costs	2,621	474	425	3,520	3,461
Support costs	612	-	914	1,526	1,452
	<b>3,233</b>	<b>474</b>	<b>1,339</b>	<b>5,046</b>	<b>4,913</b>
Governance costs	-	-	13	13	17
	<b>3,233</b>	<b>474</b>	<b>1,352</b>	<b>5,059</b>	<b>4,930</b>

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 5 RESOURCES EXPENDED (Continued)

Incoming/outgoing resources for the year include:	2014 £000	2013 £000
Operating Leases – land and buildings	223	217
Auditor's remuneration	10	10

### 6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
<b>DIRECT COSTS</b>				
Teaching and educational support staff costs	25	2,596	2,621	2,404
Depreciation	-	474	474	629
Technology costs	-	30	30	58
Educational supplies	-	141	141	138
Examination fees	-	78	78	63
Staff development	-	10	10	14
Other direct costs	126	40	166	155
	<b>151</b>	<b>3,369</b>	<b>3,520</b>	<b>3,461</b>
<b>SUPPORT COSTS</b>				
Support staff costs	-	612	612	514
Technology costs	-	13	13	25
Recruitment	-	33	33	29
Maintenance of premises and equipment	-	85	85	86
Cleaning	-	78	78	88
Rent & rates	-	264	264	255
Insurance	-	46	46	46
Security & transport	-	62	62	76
Catering	8	106	114	115
Bank charges	-	5	5	4
Other support costs	-	214	214	214
	<b>8</b>	<b>1,518</b>	<b>1,526</b>	<b>1,452</b>
<b>TOTAL</b>	<b>159</b>	<b>4,887</b>	<b>5,046</b>	<b>4,913</b>

### 7 GOVERNANCE COSTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Auditor's remuneration	-	10	10	10
Trustees' support costs	-	3	3	1
	-	13	13	11

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 8 STAFF

#### a. Staff costs

Staff costs during the period were:

	2014 £000	2013 £000
Wages & salaries	2,613	2,395
Social security costs	207	206
Pension costs	372	350
	<u>3,192</u>	<u>2,951</u>
Supply teacher costs	41	8
	<u>3,233</u>	<u>2,910</u>
Salaries recharged to Cathedral Primary School; a fellow subsidiary	(36)	(41)
	<u>3,197</u>	<u>2,918</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 No.	2013 No.
Management & Administration	8	8
Administration & support	39	37
Teachers	38	35
	<u>85</u>	<u>80</u>

Employees whose emoluments for the year exceed £60,000 were:

	2014 No.	2013 No.
£ 60,001 - £ 70,000	1	0
£100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for these employees amounted to £24,614 (2013: £14,385).

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 9 TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

Principal and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

- N Blundell (Principal) £110,000 - £115,000 (2013: £100,000 - £105,000)
- I Pearse (Staff Trustee) £30,000 - £35,000 (2013: £30,000 - £35,000)

No Trustee received expenses during the year (2013: £nil). Other related party transactions involving the Trustees are set out in note 20.

### 10 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.

### 11 FIXED ASSETS

	Long leasehold land & buildings £000	Minor building works £000	Furniture & equipment £000	ICT equipment £000	Motor vehicles £000	Total £000
<b>COST:</b>						
At 1 September 2013	14,275	100	685	1,147	22	16,229
Additions	-	14	4	112	-	130
Disposals	-	-	-	-	(4)	(4)
<b>At 31 August 2014</b>	<b>14,275</b>	<b>114</b>	<b>689</b>	<b>1,259</b>	<b>18</b>	<b>16,355</b>
<b>DEPRECIATION:</b>						
At 1 September 2013	1201	10	496	1,110	17	2,834
Disposals	-	-	-	-	(4)	(4)
Charged in year	296	11	125	37	5	474
<b>At 31 August 2014</b>	<b>1,492</b>	<b>21</b>	<b>621</b>	<b>1,147</b>	<b>18</b>	<b>3,304</b>
<b>NET BOOK VALUE:</b>						
<b>At 31 August 2014</b>	<b>12,778</b>	<b>93</b>	<b>68</b>	<b>112</b>	<b>-</b>	<b>13,051</b>
At 31 August 2013	13,074	90	189	37	5	13,395

### 12 STOCKS

	2014 £000	2013 £000
Uniform stock	10	11

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 13 DEBTORS

	2014 £000	2013 £000
Trade debtors	23	90
Prepayments	181	90
VAT recoverable	43	53
Other debtors	13	1
	<u>260</u>	<u>234</u>

### 14 CREDITORS

	2014 £000	2013 £000
Trade creditors	208	138
Other taxation and social security	52	55
Accruals and deferred income	74	45
Other creditors	65	46
EFA creditor: abatement of GAG	55	-
	<u>454</u>	<u>284</u>

### Deferred income

	2014 £000
Deferred income at 1 September 2013	20
Amounts released from previous year	(20)
Resources deferred in the year	46
Deferred income at 31 August 2014	<u>46</u>

At the balance sheet date, the Academy was holding funds of £41,910 received for school trips in advance of the 2014/15 academic year.

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 15 RESTRICTED AND UNRESTRICTED FUNDS

	Balance at 1 September 2013 £000	Incoming resources £000	Resources Expended £000	Actuarial Gains and Transfers £000	Balance at 31 August 2014 £000
<b>Restricted General Funds</b>					
General Annual Grant	298	3,851	(4,251)	57	(45)
Pupil premium	-	65	(65)	-	-
Other government grants	45	77	(77)	-	45
Pension reserve	(140)	-	(33)	48	(125)
	203	3,993	(4,426)	105	(125)
<b>Restricted Fixed Asset Funds</b>					
Donated fixed assets	13,254	-	(474)	271	13,051
EFA capital grants	141	192	-	(157)	176
	13,395	192	(474)	114	13,227
<b>Total Restricted Funds</b>	13,598	4,185	(4,900)	219	13,102
<b>Total Unrestricted Funds</b>	65	390	(159)	(171)	125
<b>Total Funds</b>	13,663	4,575	(5,059)	48	13,227

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 on land, buildings and other fixed assets of the Academy.

#### 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.

Also included within this fund is pupil premium and other government grants which are to be spent on various restricted purposes as detailed on the original grant letter.

#### Unrestricted Funds:

The unrestricted funds represent funds which are not restricted for any specific purpose and can be spent as determined by the Governing Body.

Transfers between funds during the period relate to amounts expended on fixed assets from unrestricted funds and additional operational costs funded from unrestricted funds.

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 16 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	-	-	13,051	13,051
Current assets	125	454	176	755
Current liabilities	-	(454)	-	(454)
Pension scheme liability	-	(125)	-	(125)
Total Net Assets	125	(125)	13,227	13,227

### 17 CAPITAL COMMITMENTS

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	176	68

### 18 OTHER COMMITMENTS

At the year end the Academy was committed to annual payments under operating leases expiring as follows:

	2014 £000	2013 £000
Other	227	222
Expiring in over five years		

### 19 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. At the year end £11,449 (2013: £nil) was accrued in respect of contributions to the LGPS which were due for payment after 31 August 2014.

#### 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.



# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 19 PENSION AND SIMILAR OBLIGATIONS (Continued)

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.

The pension charge for the year includes contributions payable to the TPS of £247,964 (2013: £236,837). At the year end £33,720 (2013: £nil) was accrued in respect of contributions to this scheme which were due for payment after 31 August 2014.

#### Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

#### Teachers' Pension Scheme Changes

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

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

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

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

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

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 19 PENSION AND SIMILAR OBLIGATIONS (Continued)

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

#### 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 £128,000, of which employer's contributions totalled £89,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 19.5 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.

#### Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Discount rate for scheme liabilities	3.9%	4.5%
Inflation assumption (CPI)	2.1%	2.4%
Rate of increase in salaries	3.6%	3.9%
Rate of increase of pensions	2.1%	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	25.9
Retiring today - males	23.3	22.9
Retiring in 20 years - females	28.7	28.2
Retiring in 20 years - males	25.7	25.2

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 19 PENSION AND SIMILAR OBLIGATIONS (Continued)

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

	Expected rate of return 31 August 2014 %	Value at 31 August 2014 £000	Expected rate of return 31 August 2013 %	Value at 31 August 2013 £000
Equities	7.0	731	7.0	728
Government bonds	2.9	114	3.4	121
Other bonds	3.8	142	4.4	99
Property	6.2	101	6.2	80
Cash/liquidity	0.5	44	0.5	20
Other	7.0	195	7.0	80
Total market value of assets		1,327		1,128
Present value of scheme obligations		(1,452)		(1,268)
Deficit in scheme		(125)		(140)

The overall expected rate of return has been calculated taking into account the relative proportions of assets types and the expected rate of return for each. The actual return on scheme assets was £135,000 (2013: £140,000)

#### Amounts included in the statement of financial activities:

	2014 £000	2013 £000
Current service cost (net of employee contributions)	130	116
Total operating charge	130	116

#### Analysis of pension finance income

	2014 £000	2013 £000
Expected return on pension scheme assets	70	52
Interest on pension liabilities	(62)	(48)
Pension finance income	8	4

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 £280,000 loss (2013: £328,000 loss).

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

	2014 £000	2013 £000
Benefit obligation at beginning of period	1,268	1,074
Current service cost	130	116
Interest cost	62	48
Employee contributions	39	33
Actuarial losses/(gains)	(55)	-
Benefits paid	8	(3)
Benefit obligation at end of period	1,452	1,268

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 19 PENSION AND SIMILAR OBLIGATIONS (Continued)

#### Changes in the plan assets during period to 31 August 2014:

	2014 £000	2013 £000
Fair value of plan assets at beginning of period	1,128	892
Expected return on plan assets	70	52
Actuarial gains on assets	(7)	87
Member contributions	39	33
Employer contributions	89	67
Benefits/transfers paid	8	(3)
Benefit obligation at end of period	1,327	1,128

The expected value of employer contributions for the year ended 31 August 2015 is £92,000.

#### Reconciliation of pension costs less employer contributions payable:

	2014 £000	2013 £000
Current service cost	130	116
Less: Employer contributions	89	67
	41	49

#### History of Experience Adjustments

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of defined benefit obligations	1,452	1,268	1,074	822	707
Fair value of share of scheme assets	1,327	1,128	892	744	573
(Deficit) in the scheme	(125)	(140)	(182)	(78)	(134)
Experience adjustments on share of scheme assets	7	87	22	32	14
Experience adjustments on scheme liabilities	(110)	-	-	(49)	(50)

### 20 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.

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### **20 RELATED PARTY TRANSACTIONS (Continued)**

The following related party transactions occurred during the year ended 31 August 2014:

- The Academy leases land and buildings at a peppercorn rent from the predecessor school, Bristol Cathedral School. The Academy provided administrative assistance during the year to Bristol Cathedral School to the value of £1,092 (2013: £777). Bristol Cathedral School owed £nil as at 31 August 2014 (2013: £539). The Trustees acting for both entities are S Parsons, I Robinson and M Lea.
- The Academy leases buildings from Bristol Cathedral at an agreed rent of £226,980 subject to an annual increase in line with CPI.
- The Academy incurred costs and carried out project work on behalf of Cathedral Primary School ('CPS') during the year. The total invoiced to CPS during the year was £36,591 (2013: £54,083) and the amount due from CPS at the end of the year was £2,704 (2013: £10,443).

### **21 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.

### **22 ULTIMATE CONTROLLING PARTY**

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