

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2013

# Bristol Cathedral Choir School

(A company limited by guarantee)

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# Bristol Cathedral Choir School

## LEGAL AND ADMINISTRATIVE INFORMATION

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### LEGAL AND ADMINISTRATIVE INFORMATION

#### LEGAL STATUS

Exempt Charity regulated by the Secretary of State for Education under the Academies Act of 2011.  
Company Limited by Guarantee Number: 06516626 (England and Wales).

#### REGISTERED OFFICE AND PRINCIPAL ADDRESS

College Square  
Bristol  
BS1 5TS

#### GOVERNORS

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 Governor)  
Canon A Holt BA, OBE  
Mrs S Rolt  
Dr D Hoyle MA PhD, Dean of Bristol  
Mr M Blackmore (resigned 31 December 2012)  
Mrs M Spilsbury

Dr R Kennedy  
Mr B Knight  
Mr M Lea FCA  
Mrs C McConnell  
Mr I Pearse (Staff Governor)  
Mrs G Pilgrim  
Mr I M Robinson FCA

Clerk to the Governors: Mrs A R Williams

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

The members of the General Purpose & Finance Committee were:

Mr I M Robinson (Committee Chairman)	Dr R Kennedy
Mr S R Parsons	Mr N Blundell
Mr J Caddy	Mrs S Rolt
Mr M Lea, Responsible Officer	Mr C Sims (in attendance as Finance Director)

#### COMPANY SECRETARY

I M Robinson FCA

#### BANKERS

Allied Irish Bank, 19 Whiteladies Road, Clifton, Bristol. BS8 1PB  
Barclays Bank PLC, Bristol Broadmead, Business Banking, Leicester, LE87 2BB

#### OFFICERS

Principal – N Blundell	Director of Specialism – E Bailey
Vice Principal – P Atkins	Assistant Principals – M Gunn, R Moreton, A Steward, D Bugler
Finance Director – C Sims	Head of Sixth Form - W Boyland

#### SOLICITORS

Osborne Clarke, Temple Back East, Temple Quay, Bristol, BS1 6EG

#### AUDITOR

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

# Bristol Cathedral Choir School

## GOVERNORS' REPORT

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

The financial statements have been prepared in accordance with the accounting policies on pages 19-22 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction, (August 2013).

### **Structure, Governance and Management**

#### **Constitution**

Bristol Cathedral Choir School ("the Academy") is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy. The Charitable Company was incorporated on 27 February 2008 and the Academy opened on 1 September 2008.

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

Details of the Governors who served the Academy throughout 2012/13 are included on page 2.

#### **Members' Liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up, while they are a member or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

#### **Governors' Indemnities**

As disclosed in note 11, professional indemnity insurance is paid on behalf of the Governors and officers of the Academy.

#### **Principal Activities**

The Academy is an 11-19 mixed comprehensive school specialising in music and choral singing, and mathematics.

#### **Method of Recruitment and Appointment or Election of Governors**

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

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

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

# Bristol Cathedral Choir School

## GOVERNORS' REPORT *(continued)*

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be done informally and will be tailored specifically to the individual. Mentoring of new Governors will also be offered, as appropriate, during the first year following appointment.

### Organisation Structure

The management structure consists of two levels: the Governors and the Senior Leadership 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 Governors are appointed at a meeting of the Governing Body. The composition of the Governing Body is specified in the Articles of Association of the Academy. Whilst there are a number of provisions to appoint Governors in varying circumstances the normal membership will be:-

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

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

The Governing Body conducts audits to ensure that it maintains an appropriate breadth of skills and experience. New Governors are recruited to meet any needs identified on the basis of eligibility, personal competence, specialist skills and local availability.

The Governors, as the trustees of the Charity, 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 Governors 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 Governors annually.

The sub-committees of the Governing Body are as follows:

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

Groups of Governors may be formally organised outside of the sub-committee structure to support the Academy as required, to consider, inter alia:

- Principal, Associate Principal and Deputy Principal recruitment;
- Performance management of the Principal;
- Pupil behaviour;
- Staff discipline;
- Complaints; and
- Significant areas of change management.

Day to day management is delegated to the Executive team, which includes the Principal, Assistant Principals and the Finance Director. The Academy procures the services of the Finance Director and a Finance Manager from The City Academy, Bristol under the terms of a service level agreement.

# Bristol Cathedral Choir School

## GOVERNORS' REPORT *(continued)*

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### **Risk Management**

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

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

### **Connected and Related Entities**

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

- The Cathedralians;
- Bristol Cathedral School Parents Association;
- The Choral Foundation;
- Bristol Cathedral School;
- Bristol Cathedral Choir School Endowment Fund; and
- Cathedral Primary School

### **Objectives and Activities**

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.

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."*

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 Governors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

# Bristol Cathedral Choir School

## GOVERNORS' REPORT *(continued)*

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### **Achievements and Performance**

The number of students has continued to grow and now stands at 735 as at September 2013. Each new year 7 intake continues to be heavily over subscribed by a factor of approximately 7:1. The September 2012 and 2013 intakes for year 7 were in line with the approved increase in Planned Admission Numbers ("PAN") to 120 (2012:112). By September 2018 the Academy is forecast to reach capacity at over 800 students.

The major achievements have been:

- Maintaining the excellent examination results as set out below; and
- Further recognition for choral excellence.

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

#### **GCSE**

81% of students gained at least five GCSEs at grades A\*-C including Mathematics and English, the same as for 2012 despite the increase in some grade boundaries.

#### **A Level**

Results at A level were up on last year with the percentage of students achieving A\* – B grades at 50%, up from 48% in 2012.

The Academy has made further developments in the process to simplify and make consistent the terms of employment of teaching staff. The Governors are grateful to all the staff for their commitment and hard work during the year.

#### **Going Concern**

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

### **Financial Review and Results for the Year**

#### **Key financial performance indicators and financial report for the year**

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 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In terms of the core General Annual Grant ("GAG") income, the Academy's expenditure of £3,794,000 exceeded income by £148,000

The Academy faces financial challenges as student numbers are built up to full capacity. When the Academy opened, the Governors and EFA (formerly Young People's Learning Agency) agreed that the Academy would not take external students above Year 7 other than Year 12 students provided the Start Up grant supported the additional cost. In order to help address the financial challenges over the coming years the Governors sought an increase in the Planned Admission Number ("PAN") to 120. This was implemented for the September 2013 intake and year group 7 was recruited to this limit. This has improved the financial outlook for the coming years but some significant issues are still anticipated. Sixth Form numbers are also crucial to the financial forecasts and vigorous recruitment to the Sixth Form will be undertaken over the coming years. These issues and financial forecasts have been the subject of extensive and on-going discussions with the EFA.

# Bristol Cathedral Choir School

## GOVERNORS' REPORT *(continued)*

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There were no significant additions to tangible fixed assets in the year, and consequently the balance on fixed assets has reduced to £13.4m after taking into account the depreciation charge for the year. The movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used mainly for providing education and the associated support services to the students of the Academy. It should be noted that the title to all buildings remains with Bristol Cathedral School.

### **Principal Risks and Uncertainties**

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

### **Reserves Policy**

The Governors 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 Governors have determined that the appropriate level of reserves which are not invested in tangible fixed assets should be equivalent to four weeks expenditure, being estimated as £400,000. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

The Academy identifies that the value of free reserves available for non-educational purposes is £65,000 (2012: £65,000).

The reserves include a pension deficit in respect of the Local Government Pension Scheme of £140,000. It is not anticipated that there will be a material adjustment to contributions to eliminate this deficit.

### **Investment Policy**

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

### **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.

On 2 September 2013, Cathedral Primary School (a Free School) opened its doors to 30 children in a reception class. Although the Free School will not be part of the Academy Trust, a close working relationship and a sharing of educational and support services is anticipated. The Academy views this as an exciting and related development to its own future plans.

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

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

# Bristol Cathedral Choir School

## GOVERNORS' REPORT *(continued)*

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### **Auditor**

In so far as the Governors are aware:

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

The 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 report of the Governors was approved by the members of the Governing Body on 11 December 2013 and signed on its behalf by:

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

# Bristol Cathedral Choir School

## GOVERNANCE STATEMENT

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### Scope of Responsibility

As Governors, 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 Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

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

The Governing Body met 5 times during the year, including an Away Day. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Stephen Parsons, DL, Chair of Governors	5	5
Dr. Ros Kennedy, Vice Chair of Governors, Chair of Staffing Committee	5	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	4	5
Dr David Hoyle, Dean of Bristol	3	5
Canon Robert Bull, Canon Pastor	4	5
Mr Mark Blackmore, Responsible Officer	2	2
Mrs Suzanne Rolt	5	5
Mr Ben Knight	3	5
Mr Edward Benzecry	3	5
Mr Mike Lea	5	5
Mrs Gabrielle F. Pilgrim	3	5
Mrs Marilyn Spilsbury, BA Med	2	5
Mrs Claudia McConnell, LA Governor	3	5
Mr James Caddy, Parent Governor	4	5
Mr Ieuan Pearse, Staff Governor	5	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 Governing Body. 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. During the year, Mike Lea joined the committee. Attendance at meetings during the year was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Stephen Parsons, DL, Chair of Governors	3	4
Dr. Ros Kennedy, Vice Chair of Governors, Chair of Staffing Committee	3	4
Mr Ian Robinson, Chair of General Purpose & Finance Committee	4	4
Mr Mark Blackmore (resigned 31 December 2012)	1	1
Mr Neil Blundell, Principal	4	4
Mr Mike Lea	2	2
Suzanne Rolt	2	3
Mr James Caddy, Parent Governor	1	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 year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Governors have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that have been in place for the year ending 31 August 2013 and up to the date of the approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Governors.

### **The Risk and Control Framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governors;
- Regular reviews by the General Purpose and Finance sub committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing, (asset purchase or capital investment), guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

# Bristol Cathedral Choir School

## GOVERNANCE STATEMENT *(continued)*

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The Governors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr Mike Lea as Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems, (as set out in the Academies Financial Handbook 2006). On a regular basis, the Responsible Officer reports to the Governors on the operation of the systems of control and the discharge of the Governors' financial responsibilities. There are no material control issues resulting from any of these reviews.

### **Review of Effectiveness**

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 Governing Body on 11 December 2013 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 Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy's Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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

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

# Bristol Cathedral Choir School

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The Governors (who act as trustees for charitable activities of Bristol Cathedral Choir School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 11 December 2013 and signed on its behalf by:

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

# Bristol Cathedral Choir School

## INDEPENDENT AUDITOR'S REPORT

### **Independent Auditor's Report to the Governing Body of Bristol Cathedral Choir School.**

We have audited the financial statements of Bristol Cathedral Choir School for the year ended 31 August 2013 set out on pages 16 to 33. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

### **Respective responsibilities of Governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements 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 2013 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Annual Accounts Direction 2013 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# Bristol Cathedral Choir School

## INDEPENDENT AUDITOR'S REPORT

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

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

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

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House,  
Lypiatt Road,  
Cheltenham, GL50 2QJ

11 December 2013

# 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 2013

	Notes	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	<b>Total Funds 2013 £000</b>	Total 2012 £000
<b>Incoming resources</b>						
<b>Incoming resources from generated funds:</b>						
Activities for generating funds	3	303	51	-	<b>354</b>	143
Investment income	4	2	-	-	<b>2</b>	3
<b>Incoming resources from charitable activities</b>						
Funding for the Academy's educational operations	5	-	3,980	108	<b>4,088</b>	3,825
<b>Total incoming resources</b>		<b>305</b>	<b>4,031</b>	<b>108</b>	<b>4,444</b>	3,971
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Academy's educational operations	7	129	4,155	629	<b>4,913</b>	4,956
Governance costs	8	-	17	-	<b>17</b>	11
<b>Total resources expended</b>	6	<b>129</b>	<b>4,172</b>	<b>629</b>	<b>4,930</b>	4,967
<b>Net incoming / (outgoing) resources before transfers</b>		<b>176</b>	<b>(141)</b>	<b>(521)</b>	<b>(486)</b>	(996)
Transfers between funds		<b>(176)</b>	<b>143</b>	<b>33</b>	<b>-</b>	-
<b>Net incoming / (outgoing) resources before other recognised gains and losses</b>		<b>-</b>	<b>2</b>	<b>(488)</b>	<b>(486)</b>	(996)
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes		-	87	-	<b>87</b>	(76)
<b>Net movement in funds</b>		<b>-</b>	<b>89</b>	<b>(488)</b>	<b>(399)</b>	(1,072)
<b>RECONCILIATION OF FUNDS:</b>						
<b>Total funds brought forward at 1 September 2012</b>		<b>65</b>	<b>114</b>	<b>13,883</b>	<b>14,062</b>	15,134
<b>Total funds carried forward at 31 August 2013</b>	16	<b>65</b>	<b>203</b>	<b>13,395</b>	<b>13,663</b>	14,062

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

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

# Bristol Cathedral Choir School

## BALANCE SHEET as at 31 August 2013

		2013	2012
	Notes	£000	£000
<b>FIXED ASSETS</b>			
Tangible fixed assets	12	<u>13,395</u>	<u>13,884</u>
<b>CURRENT ASSETS</b>			
Stocks	13	11	11
Debtors	14	234	124
Cash at bank and in hand		<u>447</u>	<u>463</u>
		<b>692</b>	<b>598</b>
<b>LIABILITIES:</b> Amounts falling due within one year	15	<u>(284)</u>	<u>(238)</u>
<b>NET CURRENT ASSETS</b>		<u>408</u>	<u>360</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,803</b>	<b>14,244</b>
Pension scheme liability	20	(140)	(182)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u><u>13,663</u></u>	<u><u>14,062</u></u>
<b>FUNDS</b>			
Restricted income funds			
Restricted fixed asset fund		13,395	13,883
Pension Reserve		(140)	(182)
Restricted general fund		<u>343</u>	<u>296</u>
<b>TOTAL RESTRICTED FUNDS</b>		<b>13,598</b>	<b>13,997</b>
<b>TOTAL UNRESTRICTED FUNDS</b>		<b>65</b>	<b>65</b>
<b>TOTAL FUNDS</b>	16	<u><u>13,663</u></u>	<u><u>14,062</u></u>

The financial statements on pages 16 to 33 were approved by the Governors, and authorised for issue on 11 December 2013 and are signed on their behalf by:

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

Registered company number 06516626

# Bristol Cathedral Choir School

## CASH FLOW STATEMENT

for the year ended 31 August 2013

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

	<b>2013</b>	2012
	<b>£000</b>	£000
<b>Net cash (outflow) from operating activities</b>		
Operating (deficit)	(486)	(996)
Depreciation (note 12)	629	747
Capital grants from DfE and other capital income	(108)	-
Interest receivable (note 4)	(2)	(3)
FRS 17 pension cost less contributions payable (note 20)	49	28
FRS 17 pension finance income (note 20)	(4)	-
(Increase) in stocks	-	(11)
(Increase) in debtors	(110)	(23)
Increase in creditors	46	84
	<u>14</u>	<u>(174)</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>2</u>	<u>3</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(140)	-
Capital funding received	108	-
	<u>(32)</u>	<u>-</u>
<b>Net (decrease) in cash</b>	<u>(16)</u>	<u>(171)</u>

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

	At 1	cash	At 31
	September	flows	August
	2012	£000	2013
	£000	£000	£000
Analysis of changes in net funds			
Cash in hand and at bank	463	(16)	447

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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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 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

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

#### Incoming Resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant ('GAG') income is treated on a receivable basis and any net 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.

- **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 *(continued)*

for the year ended 31 August 2013

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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 Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT where applicable.

#### **Tangible Fixed Assets**

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

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

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

Long leasehold land and buildings	Over the period of the lease or 50 years whichever is shorter
Furniture, fixtures and equipment	Over 5 years
ICT equipment	Over 3 years
Motor vehicles	Over 4 years
Minor building works	Over 10 years

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

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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.

#### **Leased Assets**

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

#### **Stock**

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

#### **Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, 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.

# Bristol Cathedral Choir School

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
for the year ended 31 August 2013

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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 Governors.

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

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

### **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 *(continued)*

for the year ended 31 August 2013

### 2 GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

### 3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Catering income	144	-	144	71
Music tuition income	31	-	31	24
Uniform sales	18	-	18	-
Hire of premises	52	-	52	48
Other income	58	51	109	251
	303	51	354	394

### 4 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Interest received	2	-	2	3
	2	-	2	3

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>DfE/EFA revenue grants</b>				
General Annual Grant ('GAG') (Note 2)	-	3,646	3,646	3,368
Other EFA Grants - Start Up Grant A	-	-	-	30
		3,646	3,646	3,398
Other Government Grants & LA SEN Funding	-	334	334	163
	-	334	334	163

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>DfE/EFA capital grants</b>				
Academies Capital Maintenance Fund	-	91	91	-
Devolved Formula Capital Grant	-	17	17	13
	-	108	108	13

**Bristol Cathedral Choir School**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
for the year ended 31 August 2013

**6 RESOURCES EXPENDED**

	<b>Staff and related costs £000</b>	<b>Depreciation £000</b>	<b>Other Costs £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
<b>Academy's educational operations</b>					
Direct costs	2,404	629	428	<b>3,461</b>	3,523
Support costs	514	-	938	<b>1,452</b>	1,433
	<u>2,918</u>	<u>629</u>	<u>1,366</u>	<u><b>4,913</b></u>	<u>4,956</u>
Governance costs	-	-	17	<b>17</b>	11
	<u>2,918</u>	<u>629</u>	<u>1,383</u>	<u><b>4,930</b></u>	<u>4,967</u>

Included in the Income and Expenditure Account and in other costs are:	<b>2013</b>	2012
	<b>£000</b>	£000
Operating Leases - cathedral	<b>217</b>	209
Audit Fees	<b>16</b>	11

**7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
<b>DIRECT COSTS</b>				
Teaching and educational support staff costs	24	2,380	<b>2,404</b>	2,298
Depreciation	-	629	<b>629</b>	747
Technology costs	-	58	<b>58</b>	-
Educational supplies	-	138	<b>138</b>	111
Examination fees	-	63	<b>63</b>	52
Staff development	-	14	<b>14</b>	65
Other direct costs	95	60	<b>155</b>	250
	<u>119</u>	<u>3,342</u>	<u><b>3,461</b></u>	<u>3,523</u>
<b>SUPPORT COSTS</b>				
Support staff costs	-	514	<b>514</b>	459
Technology costs	-	25	<b>25</b>	-
Recruitment	-	29	<b>29</b>	-
Maintenance of premises and equipment	-	86	<b>86</b>	207
Cleaning	-	88	<b>88</b>	75
Rent & rates	-	255	<b>255</b>	230
Insurance	-	46	<b>46</b>	45
Security & Transport	-	76	<b>76</b>	10
Catering	10	105	<b>115</b>	72
Bank charges	-	4	<b>4</b>	2
Other support costs	-	214	<b>214</b>	333
	<u>10</u>	<u>1,442</u>	<u><b>1,452</b></u>	<u>1,433</u>
<b>TOTAL</b>	<u>129</u>	<u>4,784</u>	<u><b>4,913</b></u>	<u>4,956</u>

**Bristol Cathedral Choir School**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
for the year ended 31 August 2013

**8 GOVERNANCE COSTS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 £000</b>	<b>2012 £000</b>
Auditor's remuneration	-	16	<b>16</b>	11
Governors' reimbursed expenses	-	-	-	-
Governors' support costs	-	1	<b>1</b>	-
	<u>-</u>	<u>17</u>	<u><b>17</b></u>	<u>11</u>

**9 STAFF COSTS**

The average number of persons (including senior post holders) employed by the Academy during the period expressed as full time equivalents was:-

	<b>2013 No.</b>	<b>2012 No.</b>
<b>Charitable Activities</b>		
Management & Administration	<b>8</b>	8
Administration & support	<b>37</b>	30
Teachers	<b>35</b>	33
	<u><b>80</b></u>	<u>71</u>

	<b>2013 £000</b>	<b>2012 £000</b>
Staff Costs for the above persons:		
Wages & Salaries	<b>2,395</b>	2,266
Supply teacher costs	<b>8</b>	10
Social Security costs	<b>206</b>	184
Other Pension Costs	<b>350</b>	297
	<u><b>2,959</b></u>	<u>2,757</u>
Salaries recharged to Cathedral Primary School	<b>(41)</b>	-
	<u><b>2,918</b></u>	<u>2,757</u>

	<b>2013 No.</b>	<b>2012 No.</b>
Employees whose emoluments for the year exceed £60,000 were:		
£100,001 - £110,000	<b>1</b>	1
	<u><b>1</b></u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013 pension contributions for this employee amounted to £14,385 (2012: £14,037).

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

### 10 GOVERNORS' REMUNERATION, BENEFITS AND EXPENSES

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments, from the Academy in respect of their role as Governors. The value of the Principal's remuneration was £102,018 in 2013 (2012: £99,000). No Governor received expenses during the year (2012: £nil). Other related party actions involving the Governors are set out in note 21.

The remuneration of the staff Governor and trustee was as follows:

- I Pearse £30,000 - £35,000

### 11 GOVERNORS' AND OFFICERS' INSURANCE

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

### 12 FIXED ASSETS

	Long leasehold land & buildings £000	Minor building works £000	Furniture & equipment £000	ICT equipment £000	Motor vehicles £000	<b>Total £000</b>
COST:						
At 1 September 2012	14,275	-	682	1,110	22	<b>16,089</b>
Additions	-	100	3	37	-	<b>140</b>
Disposals	-	-	-	-	-	-
<b>At 31 August 2013</b>	<b>14,275</b>	<b>100</b>	<b>685</b>	<b>1,147</b>	<b>22</b>	<b>16,229</b>
DEPRECIATION:						
At 1 September 2012	907	-	359	926	13	<b>2,205</b>
Charged in year	294	10	137	184	4	<b>629</b>
<b>At 31 August 2013</b>	<b>1,201</b>	<b>10</b>	<b>496</b>	<b>1,110</b>	<b>17</b>	<b>2,834</b>
NET BOOK VALUE:						
At 31 August 2012	13,368	-	323	184	9	<b>13,884</b>
<b>At 31 August 2013</b>	<b>13,074</b>	<b>90</b>	<b>189</b>	<b>37</b>	<b>5</b>	<b>13,395</b>

### 13 STOCKS

	<b>2013 £000</b>	2012 £000
Uniform stock	<b>11</b>	11

**Bristol Cathedral Choir School**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
for the year ended 31 August 2013

**14 DEBTORS**

	<b>2013</b>	2012
	<b>£000</b>	£000
Trade debtors	<b>90</b>	58
Prepayments	<b>90</b>	37
VAT recoverable	<b>53</b>	29
Other debtors	<b>1</b>	-
	<b>234</b>	124

**15 CREDITORS**

	<b>2013</b>	2012
	<b>£000</b>	£000
Trade creditors	<b>138</b>	155
Other taxation and social security	<b>55</b>	-
Accruals and deferred income	<b>45</b>	83
Other creditors	<b>46</b>	-
	<b>284</b>	238

**Deferred income**

	<b>2013</b>
	<b>£000</b>
Deferred Income at 1 September 2012	-
Arising during the year	<b>20</b>
Deferred Income at 31 August 2013	<b>20</b>

Deferred income represents income received in the financial period that relates to the following period.

**16 RESTRICTED AND UNRESTRICTED FUNDS**

	<b>Balance at</b>				<b>Balance at</b>
	<b>1 September</b>	<b>Incoming</b>	<b>Resources</b>	<b>Gains, Losses</b>	<b>31 August</b>
	<b>2012</b>	<b>resources</b>	<b>Expended</b>	<b>and Transfers</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Restricted General Funds</b>					
Start Up Grant A	103	-	(33)	(70)	-
General Annual Grant	148	3,697	(3,760)	213	298
Other Restricted Funds	45	334	(334)	-	45
Pension Reserve	(182)	-	(45)	87	(140)
	<b>114</b>	<b>4,031</b>	<b>(4,172)</b>	<b>230</b>	<b>203</b>
<b>Restricted Fixed Asset Funds</b>					
Donated Fixed assets	13,883	-	(629)	-	13,254
EFA Capital Grants	-	108	-	33	141
	<b>13,883</b>	<b>108</b>	<b>(629)</b>	<b>33</b>	<b>13,395</b>
<b>Total Restricted Funds</b>	<b>13,997</b>	<b>4,139</b>	<b>(4,801)</b>	<b>263</b>	<b>13,598</b>
Unrestricted funds	65	305	(129)	(176)	65
<b>Total funds</b>	<b>14,062</b>	<b>4,444</b>	<b>(4,930)</b>	<b>87</b>	<b>13,663</b>

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

### 16 RESTRICTED AND UNRESTRICTED FUNDS *(continued)*

The transfer of £176,000 (2012: £161,000) from unrestricted to restricted funds was made to support the educational activities of the Academy from unrestricted net income.

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.

#### Other Restricted Funds:

From time to time, additional funds are applied for specific purposes laid down by the grant provider and to be used in the short term.

#### Unrestricted Funds:

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the academy.

### 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	13,395	13,395
Current assets	65	627	-	692
Current liabilities	-	(284)	-	(284)
Pension Scheme liability	-	(140)	-	(140)
Total Net Assets	65	203	13,395	13,663

### 18 CAPITAL COMMITMENTS

	2013 £000	2012 £000
Contracted for, but not provided in the accounts	68	-

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

### 19 OTHER COMMITMENTS

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

	2013	2012
	£000	£000
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	164
Expiring in over five years	<b>222</b>	-
	<b>222</b>	164

### 20 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 August 2013

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### 20 PENSION AND SIMILAR OBLIGATIONS (*continued*)

#### Teachers' Pension Scheme (*continued*)

of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

#### Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015. The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57<sup>th</sup>; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected. In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

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

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

#### 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 2013 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 13.2 per cent for employers and 5.5 to 7.5 per cent for employees depending on salary banding.

**Bristol Cathedral Choir School**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
for the year ended 31 August 2013

**20 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

<b>Principal Actuarial Assumptions</b>	<b>2013</b>	<b>2012</b>
Discount rate	4.5%	4.3%
Price Inflation	2.4%	2.2%
Rate of increase in salaries	3.9%	3.7%
Rate of increase of pensions in payments	2.4%	2.2%

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

Retiring today - females	25.9	25.7
Retiring today - males	22.9	22.8
Retiring in 20 years - females	28.2	28.1
Retiring in 20 years - males	25.2	25.1
Expected return on scheme assets	5.89%	5.53%

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

	<b>Expected rate of return 31 August 2013</b>	<b>Value at 31 August 2013</b>	<b>Expected rate of return 31 August 2012</b>	<b>Value at 31 August 2012</b>
	<b>%</b>	<b>£000</b>	<b>%</b>	<b>£000</b>
Equities	7.0	728	7.0	521
Government bonds	3.4	121	2.5	111
Other bonds	4.4	99	3.4	108
Property	5.7	80	6.0	66
Cash/liquidity	0.5	20	0.5	16
Other	7.0	80	7.0	70
Total fair value of assets		1,128		892
Present value of scheme obligations		(1,268)		(1,074)
Net pension obligation		(140)		(182)

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

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Current service cost	(116)	(83)
Total operating charge	(116)	(83)

**Analysis of pension finance income /(costs)**

Expected return on pension scheme assets	52	46
Interest on pension liabilities	(48)	(46)
Pension finance income /(costs)	4	-

**Bristol Cathedral Choir School**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
for the year ended 31 August 2013

**20 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

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 £328,000 loss (2012: £370,000 loss).

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

	<b>2013</b>	2012
	<b>£000</b>	£000
Benefit obligation at beginning of period	<b>1,074</b>	822
Current service cost	<b>116</b>	83
Interest on pension liabilities	<b>48</b>	46
Member contributions	<b>33</b>	28
Actuarial losses/(gains) on liabilities	<b>-</b>	98
Benefits/transfers paid	<b>(3)</b>	(3)
Benefit obligation at end of period	<b>1,268</b>	1,074

**Changes in the plan assets during period to 31 August 2013:**

	<b>2013</b>	2012
	<b>£000</b>	£000
Fair value of plan assets at beginning of period	<b>892</b>	744
Expected return on plan assets	<b>52</b>	46
Actuarial gains on assets	<b>87</b>	22
Member contributions	<b>33</b>	28
Employer contributions	<b>67</b>	55
Benefits/transfers paid	<b>(3)</b>	(3)
Benefit obligation at end of period	<b>1,128</b>	892

The expected value of employer contributions for the year ended 31 August 2014 is £70,000.

**History of Experience Adjustments**

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Present value of defined benefit obligations	1,268	1,074	822	707	199
Fair value of share of scheme assets	1,128	892	744	573	145
(Deficit) in the scheme	<b>(140)</b>	<b>(182)</b>	<b>(78)</b>	<b>(134)</b>	<b>(54)</b>
Experience adjustments on share of scheme assets	87	22	32	14	(8)
Experience adjustments on scheme liabilities	-	-	(49)	(50)	(38)

# Bristol Cathedral Choir School

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

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### 21 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions occurred during the year ended 31 August 2013:

- 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 £777 (2012: £904). Bristol Cathedral School owed £539 as at 31 August 2013 in respect of administration support and a scholarship (2012: £418). The Governors acting for both entities are S Parsons, I Robinson and M Lea.
- The Academy leases buildings from Bristol Cathedral at an agreed rent of £222,850 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 £54,083 (2012: £nil) and the amount due from CPS at the end of the year was £10,443 (2012: £nil).

### 22 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.

# Bristol Cathedral Choir School

(A company limited by guarantee)

## **INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO BRISTOL CATHEDRAL CHOIR SCHOOL AND THE EDUCATION FUNDING AGENCY**

for the year ended 31 August 2013

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In accordance with the terms of our engagement letter dated 12 November 2013 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the Accounting Officer and Auditors**

The Accounting Officer is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis of opinion**

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

(A company limited by guarantee)

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

for the year ended 31 August 2013

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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 2011 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**THIS REPORT HAS NOT YET BEEN SIGNED**

Guy Biggin  
Senior Statutory Auditor

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

11 December 2013