

Cotham School Limited

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2012

Cotham School Limited

CONTENTS

	Page
Reference and administrative details	1
Report of the Governors	3
Governance Statement	11
Statement on Regularity, Propriety and Compliance	14
Statement of Governors' Responsibilities	15
Independent auditor's report	16
Statement of financial activities	18
Balance sheets	19
Cash flow statement	20
Principal accounting policies	21
Notes to the financial statements	24

Cotham School Limited

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)
(NB all governors are directors of
Cotham School)

David Yorath* (Chair)
Dora Alderson
Anne Batenero*
Jim Bowyer*
Dave Brockington
Nancy Copplesstone
Nigel Currie
Sandra Fryer*
Bill Greenslade
Claire Grocott
Lynda Hay
Jeremy Krause
Bronwen Lewis*
Dave Martin*
Tracy Reed
Lesley Spring (appointed 01/02/2012)
Malcolm Willis (Headteacher and Accounting Officer)
David Winter

*Members of the Finance, Property and General Purposes Committee

Company Secretary

Mel Sperring

Senior Management Team:

Headteacher
Deputy Head KS3
Deputy Head KS4
Director NBP16
Assistant Head KS4
Assistant Head KS3
Business Manager

Dr Malcolm Willis
Christine Ansell
Svetlana Bajic-Raymond
Marian Curran
John Heayberd
Annette Rothwell
Mel Sperring

Principal and Registered Office

Cotham School
Cotham Lawn Road
Bristol
BS6 6DT

Company Registration Number

07732888 (England and Wales)

Independent Auditor

Baker Tilly
Hartwell House
55 – 61 Victoria Street
Bristol
BS1 6A

Cotham School Limited

REFERENCE AND ADMINISTRATIVE DETAILS *(continued)*

Bankers

Lloyds TSB
284 Wells Road
Knowle
Bristol
BS4 2PY

Solicitors

Veale Wasborough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

The Governors (who are Governors under the Academies Act 2010, Trustees under the Charities Act 2011 and Directors under the Companies Act 2006), present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2012.

Cotham School was incorporated on 8 August 2011 and the Academy commenced its first academic year on 1 September 2011. On 23 December 2011 Cotham School adopted the Cooperative Academy Memorandum and Articles of Association.

Structure, Governance and Management

Constitution

Cotham School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Cotham School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cotham School.

Details of the governors who served throughout the year except as noted 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.

Governors' Indemnities

Subject to the provisions of the Companies Act 2006, the Governors (Directors) of the School shall be indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties, the limit of this indemnity is £2,000,000.

Principal Activities

Cotham School is a company limited by guarantee (Company Registration No. 07732888) and an exempt charity regulated by the Education Funding Agency (EFA) as agent for the Department for Education which was established on 01 September 2011. The Academy's memorandum and articles of association together with the Funding Agreement, dated 01 September 2011, entered into with the Secretary of State for Education are the primary governing documents of the Academy.

The principal activities of the Academy are:

- to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, and developing a school with a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of Bristol and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities with the object of improving the condition of their lives.

Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Memorandum and Articles of Association. The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected provided that no Governor may serve more than three terms of office unless a resolution approving the arrangement is passed by the Forum. The Governors who were in office at 31 August 2012 and who served during the year are listed on page 1.

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 include training on educational, legal and financial matters. All new Governors will be invited to meet with the Headteacher and Chair of Governors and given the opportunity to have a tour of the School, and to meet with staff and students. New governors are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors. As there is expected to be only a small number of new Governors a year, induction will be carried out informally and will be tailored specifically to the individual

Organisational Structure

The management structure consists of three levels:

The Governors, the Senior Leadership Team and the various School Teams e.g. Curriculum Team Leaders.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Leadership Team is comprised of the Head Teacher, Deputy Head Teachers, Assistant Heads and the Business Manager. The Leadership Team control the School at a day to day level, implementing the policies laid down by the Governors and reporting back to them.

Risk Management

The Governors are responsible for the management of risks to which the School is exposed, and have undertaken a review of risks associated with its activities. The key controls used include:

- Formal agendas for Governors meeting
- Detailed terms of reference for all committees
- A clear Development Plan identifying key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes

The Governors have reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and have taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk. A formal risk register has been approved which will be reviewed at least annually.

The Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

Connected Organisations, including Related Party Relationships

The North Bristol Post 16 Centre is a soft federation with Redland Green School. The Centre enables a wide and diverse range of course choices and combinations across the two school sites. Enrichment activities such as student exchanges, visits, performing arts, maths & computing activities make a significant contribution to learners' enjoyment, achievement and wider personal development. On 23 December 2011 Cotham School adopted the Cooperative Academy Memorandum and Articles of Association. The Cooperative Schools Group has the right to appoint a Governor. The land and buildings were transferred to the Academy from Bristol City Council who have the right to elect a Governor.

Objectives and Activities

The principal object and activity of the charitable company is the operation of Cotham School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19 with an emphasis on The Performing Arts, Maths and Computing,

The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives.

The charitable company has agreed within the provisions of the Funding Agreement between the trustees and Secretary of State the following characteristics of the School:

- The School will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.
- The School will offer a broad and balanced curriculum with emphasis on the Performing Arts and Maths and Computing;
- The School will provide education for pupils of different abilities;
- The School will provide education for pupils who are mainly drawn from the area in which the School is situated.

The main objectives of the School during the year ended 31 August 2012 are summarised below:

- To raise the standard of educational achievement and attainment of all students
- To provide outstanding teaching and learning that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere
- To achieve outstanding student behaviour to help students form successful relationships characterised by understanding others, tolerance, trust and self-respect
- To improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review

- To promote our Cooperative values:
 - Self-help – We want our students to become independent, life-long learners
 - Self-responsibility – We challenge our students to take responsibility for themselves and their actions
 - Democracy – We listen to the children, their parents, the governors and our community using their views to improve the school
 - Equality & Equity – We value all children equally and examine our practice carefully to ensure that we treat all children fairly

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

Objectives, Strategies and Activities

Key influences on the Academy Development Plan for the year under review were the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status.

Key strategies to achieve the schools objectives have included the following:

- To create a whole school approach to the teaching of literacy and numeracy
- To improve lesson observations to secure consistent judgement on lesson quality and provide developmental feedback to staff
- To develop our VLE (FROG) so that it directly improves achievement
- To re-structure our pastoral and behaviour intervention teams to ensure students behaviour is outstanding
- A range of activities to promote our ethos that our school community will be:
 - Ambitious – high aspirations for all
 - Creative – nurturing individuality; unique thinking is at the heart of our school and our learning
 - Confident – encouraging independence and responsibility
 - Respectful – consideration towards each other in the way we speak and behave
 - Inclusive – belonging to a close, caring and diverse community
- To evaluate the curriculum at all key stages and develop it to maintain its ability to provide an outstanding offer for our students
- Identifying, developing and adopting appropriate innovative learning strategies to support independent learners
- Continued development of systems for tracking and monitoring pupil attainment
- A variety of activities to identify the qualities of student leadership, audit opportunities and to develop student leadership skills

Public Benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commissions general guidelines on public benefit.

Achievements and Performance

Analysis of public examination outcomes for the academic year 2011/12

Cotham School has high aspirations for its students and a drive for continuous improvement. The School's analysis of examination performance is thorough, and much use is made of performance and benchmarking data from a range of sources.

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

Key Stage 3

At key stage 3, years 7-9, the school has a continuing trend of high attainment with results over the last three years detailed below:

English	2010	2011	2012
L5+	92	94	93
L6+	49	66	76
Maths	2010	2011	2012
L5+	83	88	90
L6+	58	68	79
Science	2010	2011	2012
L5+	86	91	96
L6+	57	83	84

In addition to attainment, 2+ Levels of progress between KS2 and KS3 are key measures and these continue to be very good and above national averages.

Key Stage 4

Unvalidated Outcomes at KS4 are as follows:

- 21% of all grades were A*, A or Distinction and 32% were at a grade B
- 99% of students achieved 5 A*-G, 78% achieved 5A*-C grades and 56% achieved 5A*-C grades including English and Maths. 22 students achieved at least 8A*-A and 11 students have 10 or more.
- 53% of all grades are A* - B
- The school's target for this cohort was 60% 5A*-C (Including English & Maths). The target, in our Raise on Line report, was 58% if we performed as well as the top 10% of schools nationally.
- Our year 11 cohort was the least high attaining on entry for 5 years and their targets were much lower. We had an unusually large number of middle ability students for whom a target of a grade C was a challenge and who were disproportionately affected by the changes in grade boundaries across the subject areas.

Key Stage 5

Outcomes for students in the sixth form

Overall outcomes for A2 show that standards are high. At AS standards are rapidly improving. 3 Year trends indicate the following Average Point Scores (APS):

2010	2011	2012
825.7	789.6	829

- The percentage of students making expected and good progress is above the national average at AS, especially A-B and A-C.
- At AS 25% of subject grades were above target, 32% on target and 44% below target.
- 13 subjects at AS are significantly above national averages for A-B.
- Three year trends indicate sustained improvement in the attainment of A-B grades and A-C grades. The overall pass rate at AS has consistently improved each year.

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

Going Concern

After making appropriate enquiries, the Governing Body 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.

Key Financial Performance Indicators and Financial Review

The Academy received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2011/12.

Restricted General Fund

The majority of the Academy's income was received through EFA recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £6,556,407; expenditure against the fund was £7,281,436, giving a restricted revenue deficit carry forward of £725,029 before transfers from the Restricted Fixed Fund.

Unrestricted Funds

Income received into the Unrestricted Fund was £290,645. This was predominantly attributable to the £119,749 closing balance transfer from the predecessor school and £44,816 DSG underspend passed on to the school from the LA. Expenditure against the fund was £113,412 for the year, giving an Unrestricted Fund carry forward of £177,233.

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the school's depreciation policy.

Income received into the fund included the value of the predecessor school's assets at £18,208,830, Academies Capital Maintenance Funding and Devolved Formula Capital Funding of £155,391.

The SOFA details a £18,281,223 Restricted Fixed Asset Fund year end surplus after transfers between funds. This is detailed in note 17 to the accounts.

Balance Sheet

The Academy's assets were predominantly used for providing education to school students. Some assets were let to the local community, predominantly for sports and community recreation activities.

The net book value of the Academy's tangible fixed assets was £18,274,688 as at 31st August 2012. The movement in this account is detailed in note 17.

Cash in hand at 31st August 2012 was £1,004,610.

The Reserves and Investment Policies are detailed below.

Financial and Risk Management Objectives and Policies

The objective of the school's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the school.

The financial risks considered include: economic financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial statutory requirements.

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

Financial and Risk Management Objectives and Policies (*continued*)

The deficit of the Avon defined benefit pension scheme for the associate staff is a liability of £1,401,000. On the balance sheet, this is offset by Academy's reserves.

Principal Risks and Uncertainties

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the school. 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 policy of the School is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

The Governors regularly review the reserves of the School and consider them to be sufficient for the School's requirements and not excessive. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

Investment Policy

The school has not invested any reserves during 2011/2012, all funds have been held in the academy current account, however the principles which the Governing Body will adopt in future years are as follows:

- Where practicable the reserve will be invested in tranches of up to £85,000
- Independent financial advice will be sought prior to investment.
- All investments must be approved by the Finance, Premises and General Purposes Committee.

Banks

If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £85,000 of an eligible depositors claim, per authorised institution.

Plans for Future Periods

Cotham strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The School believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the School strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

Funds held as Custodian Trustee on behalf of others

Neither Cotham School or the Governors / Trustees are acting as third party custodial trustees.

Cotham School Limited

REPORT OF THE GOVERNORS (*continued*)
for the year ended 31 August 2012

Auditors

In so far as the governors are aware:

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

The auditors, Baker Tilly UK Audit LLP, who were appointed upon conversion, are 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 5th December 2012 and signed on its behalf by:



David Yorath
Chair of Governors

Cotham School Limited

GOVERNANCE STATEMENT

for the year ended 31 August 2012

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Cotham School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
David Yorath (Chair)	6	6
Dora Alderson	4	6
Anne Batenero*	4	6
Jim Bowyer*	6	6
Dave Brockington	5	6
Nancy Copplestone	6	6
Nigel Currie	6	6
Sandra Fryer*	4	6
Bill Greenslade	6	6
Claire Grocott	6	6
Lynda Hay	2	6
Jeremy Krause	4	6
Bronwen Lewis*	6	6
Dave Martin*	4	6
Tracy Reed	5	6
Lesley Spring (appointed 01/02/2012)	3	3
Malcolm Willis (Headteacher and Accounting Officer)	6	6
David Winter	5	6

*Members of the Finance, Property and General Purposes Committee

Cotham School Limited

GOVERNANCE STATEMENT (*continued*)
for the year ended 31 August 2012

The Finance Property and General Purposes Committee is a sub-committee of the main governing body. The main responsibilities of the Finance, Premises and General Purposes Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the EFA guidance issued to academies;
- authorising changes to the academy staffing structure in conjunction with the Personnel and Training Committee;
- reviewing the reports of Internal Audit and the Audit Committee on the effectiveness of the financial procedures and controls. These reports are also be reported to the full governing body; and
- Consider resources available within the school for the management of the buildings, and make recommendations for maintenance, improvement or development of the site and playing fields.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Sandra Fryer (Committee Chair)	4	4
Ann Batenaro	4	4
Jim Bowyer	3	4
Bronwen Lewis	3	4
Dave Martin	3	4
Malcolm Willis (Headteacher and Accounting Officer)	4	4
David Yorath (Chair)	4	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 of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cotham School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Cotham School Limited

GOVERNANCE STATEMENT *(continued)*
for the year ended 31 August 2012

The Risk and Control Framework

The Academy Trust'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 Governing Body;
- regular reviews by the Finance Property and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Bob Skinner, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.


Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior managers within the Academy Trust 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 Finance and General Purposes 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 5 December 2012 and signed on its behalf by:



David Yorath
Chair of Governors



Malcolm Willis
Accounting Officer

Cotham School Limited

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the year ended 31 August 2012

As Accounting Officer of Cotham School I have considered my responsibility to notify the Academy Trust governing body and the EFA of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed



Malcolm Willis
Accounting Officer

Date: 5/12/2012

Cotham School Limited

STATEMENT OF GOVERNORS' RESPONSIBILITIES

for the year ended 31 August 2012

The governors (who act as trustees for charitable activities of Cotham 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 EFA, 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 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/DfE 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 31/2/202 and signed on its behalf by:



David Yorath
Chair of Governors

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF COTHAM SCHOOL LIMITED

We have audited the financial statements of Cotham School Limited for the year ended 31 August 2012 on pages 18 to 39. 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 2011/12 issued by the EFA.

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 charitable 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 set out on page 15, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2011/12 issued by the EFA.

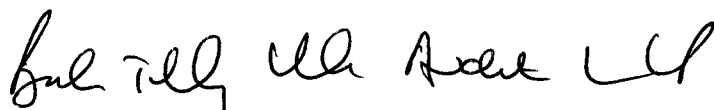
Opinion on other requirement of the Companies Act 2006

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.

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:

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



Nigel Hardy (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

Date 21 December 2012

Cotham School Limited

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
for the year ended 31 August 2012

	Notes	Un- restricted funds - general £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	-	61,825	155,391	217,216
Voluntary income - transfer from local authority on conversion	28	164,565	(1,166,000)	18,208,830	17,207,395
Activities for generating funds	3	125,106	369,871	-	494,977
Investment income	4	974	-	-	974
Incoming resources from charitable funds					
Academy's educational operations	5	-	7,290,711	-	7,290,711
Total incoming resources		290,645	6,556,407	18,364,221	25,211,273
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		-	-	-	-
Cost of activities for generating funds	7	-	268,966	-	268,966
Charitable activities					
Academy's educational operations	8	113,412	6,948,410	82,998	7,144,820
Governance costs	9	-	64,060	-	64,060
TOTAL RESOURCES EXPENDED	6	113,412	7,281,436	82,998	7,477,846
NET INCOMING (OUTGOING) RESOURCES BEFORE TRANSFERS		177,233	(725,029)	18,281,223	17,733,427
TRANSFERS					
Gross transfers between funds	17	-	-	-	-
NET INCOME FOR THE YEAR		177,233	(725,029)	18,281,223	17,733,427
OTHER RECOGNISED GAINS					
Actuarial (losses) gains on defined Benefit pension schemes	26	-	(178,000)	-	(178,000)
NET MOVEMENT IN FUNDS		177,233	(903,029)	18,281,223	17,555,427
RECONCILIATION OF FUNDS					
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST		177,233	(903,029)	18,281,223	17,555,427

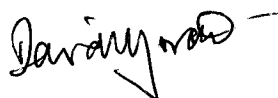
All of the Academy Trust's activities derive from acquisitions in the current financial year.

Cotham School Limited

BALANCE SHEET
as at 31 August 2012

	<i>Notes</i>	<i>2012</i> £
FIXED ASSETS		
Tangible assets	13	18,274,688
		<u>18,274,688</u>
CURRENT ASSETS		
Stocks	14	7,202
Debtors	15	112,101
Cash at bank and in hand		1,004,610
		<u>1,123,913</u>
CREDITORS: Amounts falling due within one year	16	<u>(442,174)</u>
NET CURRENT ASSETS		<u>681,739</u>
NET ASSETS EXCLUDING PENSION LIABILITY		18,956,427
Pension scheme liability	26	(1,401,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>17,555,427</u>
FUNDS OF THE ACADEMY TRUST:		
RESTRICTED FUNDS		
Restricted fixed asset fund	17	18,281,223
General funds	17	497,971
		<u>18,779,194</u>
Restricted funds excluding pension reserve		<u>(1,401,000)</u>
Pension reserve	17	<u>(1,401,000)</u>
TOTAL RESTRICTED FUNDS		<u>17,378,194</u>
TOTAL UNRESTRICTED FUNDS	17	<u>177,233</u>
TOTAL FUNDS		<u>17,555,427</u>

The financial statements on pages 18 to 39 were approved by the governors and authorised for issue on ~~....5.12.~~ 2012, and are signed on their behalf by:



David Yorath
Chair of Governors

Cotham School Limited

CASH FLOW STATEMENT

for the year ended 31 August 2012

	<i>Notes</i>	<i>2012</i> £
NET CASH FLOW FROM OPERATING ACTIVITIES	21	832,537
Returns on investments and servicing of finance	22	974
Capital expenditure	23	6,534
Cash transferred on conversion to an Academy Trust	23A	164,565
INCREASE IN CASH IN THE YEAR	24	<u>1,004,610</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
Increase in cash in the year		<u>1,004,610</u>
NET FUNDS AT 31 AUGUST		<u>1,004,610</u>

All of the cash flows are derived from acquisitions in the current financial year.

Cotham School Limited

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 Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2011/12 issued by the EFA and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an Academy Trust

The conversion from a Local Authority maintained school to an Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school, Cotham School, to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Cotham School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift/as net expenditure in other resources expended in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 28.

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 Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Fixed asset 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 year is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

Donations

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

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

Cotham School Limited

ACCOUNTING POLICIES *(continued)*

Other income

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

Assets donated by third parties are recognised at their fair (open market) value in the period in which they are receivable in incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is recognised in the appropriate fixed asset category and depreciated over its expected useful economic life on a basis consistent with depreciation policy for that category.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred on the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the EFA.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the EFA, where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised at cost 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, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

Cotham School Limited

ACCOUNTING POLICIES *(continued)*

Tangible fixed assets *(continued)*

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 lives, as follows:

Freehold buildings	2% pa
Long leasehold buildings	Over the life of the lease
Fixtures, fittings and equipment	10% pa
ICT equipment	20% pa
Plant & equipment	10% pa
Motor Vehicles	20% pa

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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Stock

Stock is valued at the lower of cost and net realisable value.

Leased assets

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

Pensions benefits

Retirement benefits to employees of the Academy Trust 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 Trust.

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 Trust 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 26, the TPS is a multi-employer scheme and the Academy Trust 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 Trust 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.

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

1	GENERAL ANNUAL GRANT (GAG)		2012 £
	a) Results and carry forward for the year		
	GAG allocation for current year		6,953,403
	TOTAL GAG AVAILABLE TO SPEND		<u>6,953,403</u>
	Recurrent expenditure from GAG		(6,872,513)
	Fixed assets purchased from GAG		<u>-</u>
	GAG CARRIED FORWARD TO NEXT YEAR		80,890
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)		(834,408)
	GAG TO SURRENDER TO DfE (12% rule breached if result is positive)		<u>(753,518)</u>
			(no breach)
2	VOLUNTARY INCOME		
		Restricted general £	Restricted fixed asset £
	Capital income from local authority	-	155,391
	Other donation income	61,825	-
	Total	<u>61,825</u>	<u>155,391</u>
			<u>217,216</u>

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

3 ACTIVITIES FOR GENERATING FUNDS

	Un- restricted general	Restricted general £	2012 Total £
Income from fundraising events	-	307,120	307,120
Sundry lettings and hire of facilities	-	42,056	42,056
Catering income	125,106	-	125,106
Other sundry income	-	20,695	20,695
Total	<u>125,106</u>	<u>369,871</u>	<u>494,977</u>

4 INVESTMENT INCOME

	Un- restricted funds £	2012 Total £
Interest receivable on short-term deposits	974	974
Total	<u>974</u>	<u>974</u>

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted general £	2012 Total £
DfE/EFA REVENUE GRANTS		
General Annual Grant (GAG)	6,953,403	6,953,403
Other DfE/EFA grants	303,351	303,351
OTHER GOVERNMENT GRANTS		
Special Educational Projects	33,957	33,957
TOTAL	<u>7,290,711</u>	<u>7,290,711</u>

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2012

6	RESOURCES EXPENDED	Staff costs £	Premises £	Other costs £	2012 £
	Costs of activities for generating funds	-	-	268,966	268,966
	Academy's educational operations:				
	Direct costs	3,946,349	-	743,787	4,690,136
	Allocated support costs	1,445,876	487,923	520,885	2,454,684
		<u>5,392,225</u>	<u>487,923</u>	<u>1,533,638</u>	<u>7,413,786</u>
	Governance costs including allocated Support costs	-	-	64,060	64,060
		<u>5,392,225</u>	<u>487,923</u>	<u>1,597,698</u>	<u>7,477,846</u>
					2012 £
	Net incoming/(outgoing) resources for the year				
	Operating leases – other				60,575
	Fees payable to Baker Tilly UK Audit LLP and its Associates for:				
	– audit				10,000
	– other services				9,641
7	FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS			Restricted General £	2012 £
	Direct costs:				
	Schools fund expenditure			268,966	268,966
	Support costs			-	-
				<u>268,966</u>	<u>268,966</u>

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2012

8 CHARITABLE ACTIVITIES ACADEMY'S EDUCATIONAL OPERATIONS	Un- restricted funds £	Restricted general £	Restricted fixed asset £	2012 Total £
DIRECT COSTS				
Teaching and educational support staff costs	-	3,946,349	-	3,946,349
Other pension costs	-	155,000	-	155,000
Educational supplies	-	323,660	-	323,660
Examination fees	-	155,240	-	155,240
Staff development	-	44,095	-	44,095
Printing, postage and stationery	-	34,161	-	34,161
Other direct costs	-	31,631	-	31,631
	-	4,690,136	-	4,690,136
ALLOCATED SUPPORT COSTS				
Support staff costs	-	1,445,876	-	1,445,876
Depreciation	-	-	82,998	82,998
Recruitment and support	-	22,803	-	22,803
Advertising	-	8,893	-	8,893
Maintenance of premises and equipment	-	188,632	-	188,632
Cleaning	-	148,392	-	148,392
Rent & rates	-	5,458	-	5,458
Light & heat	-	145,441	-	145,441
Motor & travel	-	35,920	-	35,920
Insurance	-	55,338	-	55,338
Hire of equipment	-	27,690	-	27,690
Catering	113,412	-	-	113,412
Computer equipment and materials	-	38,918	-	38,918
Bank and interest charges	-	179	-	179
Legal and professional fees	-	36,603	-	36,603
Other support costs	-	38,131	-	38,131
Pension finance cost	-	60,000	-	60,000
	113,412	2,258,274	82,998	2,454,684
	113,412	6,948,410	82,998	7,144,820

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

9 GOVERNANCE COSTS

	Restricted general £	2012 Total £
Legal and professional fees	44,419	44,419
Auditor's remuneration:		
Audit of Financial Statements	10,000	10,000
Other advisory services	9,641	9,641
	<u>64,060</u>	<u>64,060</u>

10 STAFF COSTS

	2012 £
Staff costs during the year were:	
Wages and salaries	4,496,887
Social security costs	309,785
Pension costs	451,998
	<u>5,258,670</u>
Supply teacher costs	133,555
	<u>5,392,225</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2012 £
Teachers	82
Administration and support	50
	<u>132</u>

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

	2012 £
£60,001 - £70,000	2
£90,001 - £100,000	1
	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £31,577.

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

11 GOVERNORS' REMUNERATION AND EXPENSES

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as governors. Other governors did not receive payments from the Academy Trust in respect of their role as governors. The value of staff governors remuneration for the year was as follows:

Head Teacher	£95k - £100k
Nigel Currie	£15k - £20k
David Martin	£30k - £35k
Tracey Reed	£15k - £20k

During the year pension contributions of £22,685 were paid to the defined benefit pension schemes in respect of 4 Governors.

During the year ended 31 August 2012, travel and subsistence expenses totalling £90 were reimbursed to governors.

Related party transactions involving the governors are set out in note 27.

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2012 was £996.

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

13 TANGIBLE FIXED ASSETS

	Land & buildings £	Furniture fittings & equipment £	Motor vehicles £	Total £
Cost:				
Transfer on conversion (note 28)	17,864,473	333,516	10,840	18,208,830
Additions	-	148,857	-	148,857
At 31 August 2012	17,864,473	482,373	10,840	18,357,687
Depreciation:				
Charged in year	-	80,830	2,168	82,998
At 31 August 2012	-	80,830	2,168	82,998
NET BOOK VALUE				
At 31 August 2012	17,864,473	401,543	8,672	18,274,688

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

14	STOCK	2012 £
	Catering Supplies	7,202
		<u>7,202</u>
15	DEBTORS	2012 £
	Trade debtors	621
	Prepayments and accrued income	54,284
	Other debtors	57,196
		<u>112,101</u>
16	CREDITORS: Amounts falling due within one year	2012 £
	Trade creditors	214,347
	Other taxation and social security	102,222
	Other creditors	19,022
	Accruals and deferred income	106,583
		<u>442,174</u>
	Deferred income	£
	Resources deferred in the year	4,050
	Deferred income at 31 August 2012	<u>4,050</u>

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2012

17 FUNDS

	At 1 May 2011 £	Incoming resources £	Resources expended £	Gains losses and transfers £	At 31 August 2012 £
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG) (excluding pension reserve)	-	6,953,403	(6,872,513)	-	80,890
Pension reserve	-	(1,166,000)	(57,000)	(178,000)	(1,401,000)
General Annual Grant (GAG)	-	5,787,403	(6,929,513)	(178,000)	(1,320,110)
Other government grants	-	95,782	(26,193)	-	69,589
Other DfE / EFA grants	-	303,351	(56,764)	-	246,587
Activities for generating funds	-	369,871	(268,966)	-	100,905
	-	6,556,407	(7,281,436)	(178,000)	(903,029)
RESTRICTED FIXED ASSETS FUNDS					
Assets inherited from local authority	-	18,208,830	(57,209)	-	18,151,621
Local authority grants	-	155,391	(25,789)	-	129,602
Capital expenditure from GAG	-	-	-	-	-
	-	18,364,221	(82,998)	-	18,281,223
TOTAL RESTRICTED FUNDS	-	24,920,628	(7,364,434)	(178,000)	17,556,194
UNRESTRICTED FUNDS					
Unrestricted funds	-	290,645	(113,412)	-	177,233
TOTAL UNRESTRICTED FUNDS	-	290,645	(113,412)	-	177,233
TOTAL FUNDS	-	25,211,273	(7,477,846)	(178,000)	17,555,427

General annual grant (GAG) is the main grant receivable from the Education Funding Agency (EFA) and is used for the Academy's normal running costs.

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

17 FUNDS *(continued)*

Other grants include funding for stated support, hearing impaired resource base, golden hello payments, Leadership incentive grant and teacher training. Other DfE/EFA grants include standard fund and pupil premium. The pension fund also sits in restricted funds, further details can be found in note 26.

Unrestricted funds include catering income and relevant funds transferred over from the local authority on conversion.

The restricted fixed assets funds comprises funding provided by the Department of Education to support capital expenditure and assets transferred over on conversion.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general £	Restricted fixed asset £	Aug 12 £
Tangible fixed assets	-	-	18,274,688	18,274,688
Current assets	177,233	940,145	6,535	1,123,913
Current liabilities	-	(442,174)	-	(447,618)
Pension scheme liability	-	(1,401,000)	-	(1,401,000)
	<u>177,233</u>	<u>(903,029)</u>	<u>18,281,223</u>	<u>17,549,983</u>

19 CAPITAL COMMITMENTS

	Aug 12 £
Contracted for, but not provided in the financial statements	-

20 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2012 £
Other:	
Expiring within one year	4,379
Expiring within two and five years inclusive	39,684
	<u>44,063</u>

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

21	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2012 £
	Net income	17,733,427
	Cash impact of transfer on conversion (note 28)	(164,565)
	Depreciation (note 10)	82,998
	Capital grants from DfE and others	(155,391)
	Interest receivable	(974)
	FRS 17 pension cost less contributions payable (note 26)	(3,000)
	FRS 17 pension finance costs (note 26)	60,000
	Assets inherited from the local authority	(18,208,830)
	Pension liability inherited from the local authority	1,166,000
	(Increase)/decrease in stocks	(7,201)
	(Increase)/decrease in debtors	(112,101)
	Increase/ (decrease) in creditors	442,174
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	832,537
22	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2012 £
	Interest received	974
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	974
23	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2012 £
	Purchase of tangible fixed assets	(148,857)
	Capital funding received from sponsors and others	155,391
	NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	6,534
23A	CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2012 £
	Cash balance transferred on conversion (note 28)	164,565
		164,565

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

24 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2011 £	Cash flows £	At 31 August 2012 £
Cash in hand and at bank	-	1,004,610	1,004,610
	-	1,004,610	1,004,610

25 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 he/she is a member, or within one year after he/she ceases to be a member.

26 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust'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 advised by Mercer. Both are defined-benefit schemes.

As described in note 28, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £1,401,000 were payable to the scheme at 31 August 2012 and are included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

26 PENSION AND SIMILAR OBLIGATIONS *(continued)*

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%. The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the TPS of £448,264. At the year-end £nil was accrued in respect of contributions to this 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 2012 was £218,000, of which employer's contributions totalled £158,000 and employees' contribution totalled £60,000.

As described in note 28, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Principal actuarial assumptions

	2012	2011
Rate of increase in salaries	3.7%	4.2%
Rate of increase for pensions in payment	2.2%	2.7%
Discount rate	4.3%	5.3%
Inflation (CPI)	2.2%	2.7%

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

	2012	2011
Retiring today:		
Males	22.8	22.7
Females	25.7	25.6
Retiring in 20 years:		
Males	25.1	25.0
Females	28.1	28.0

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

26 PENSION AND SIMILAR OBLIGATIONS *(continued)*

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

	Expected return at 31 August 2012	Fair value at 31 August 2011
Equities	7.0%	379,000
Government bonds	3.7%	80,000
Other bonds	4.8%	79,000
Property	6.0%	48,000
Cash/liquidity	0.5%	12,000
Other	7.0%	51,000
TOTAL MARKET VALUE OF ASSETS		<u>649,000</u>
Present value of scheme liabilities - Funded		(2,050,000)
SURPLUS/(DEFICIT) IN THE SCHEME		<u><u>(1,401,000)</u></u>

The actual return on scheme assets was £44,000.

None of the fair values of the assets shown above include any of the Academy Trust's own financial instruments or any property occupied by, or used by the Academy Trust.

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

26 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Amounts recognised in the statement of financial activities

	2012
Current service cost (net of employee contributions)	155,000
Total operating charge	<u>155,000</u>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	(29,000)
Interest on pension liabilities	89,000
Pension finance costs	<u>60,000</u>

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £178,000.

Movements in the present value of defined benefit obligations were as follows:	2012
At 1 September	-
Current service cost	155,000
Interest cost	89,000
Employee contributions	60,000
Actuarial (gain)/loss	193,000
Benefits paid	(3,000)
Business combinations	1,556,000
At 31 August	<u>2,050,000</u>

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2012

26 PENSION AND SIMILAR OBLIGATIONS *(continued)*

	2012
Movements in the fair value of Academy Trust's share of scheme assets were as follows:	
At 1 September	-
Expected return on assets	29,000
Actuarial gain/(loss)	15,000
Employer contributions	158,000
Employee contributions	60,000
Benefits paid	(3,000)
Business combinations	390,000
	<hr/>
At 31 August	649,000
	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2013 is £160,000.

The one-year history of experience adjustments is as follows:

	2012
Present value of defined benefit obligations	(2,050,000)
Fair value of share of scheme assets	649,000
	<hr/>
Deficit in the scheme	(1,401,000)
	<hr/> <hr/>
Experience adjustments on share of scheme assets Amount £	15,000
Experience adjustments on scheme liabilities: Amount £	-

27 RELATED PARTIES

Owing to the nature of the Academy Trust'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 Trust's financial regulations and normal procurement procedures.

Cotham School Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2012

28 CONVERSION TO AN ACADEMY TRUST

On 1 September 2011 Cotham School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cotham School from Bristol City Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Voluntary income analysis:			
	Un- restricted funds £	Restricted general £	Restricted fixed asset £	Total £
Tangible fixed assets:				
Freehold land and buildings	-	-	17,864,473	17,864,473
Fixtures, fittings & equipment	-	-	333,517	333,517
Motor vehicles	-	-	10,840	10,840
School Fund	44,816	-	-	44,816
Current Account	119,749	-	-	119,749
LGPS Pension Deficit	-	(1,166,000)	-	(1,166,000)
Net assets	<u>164,565</u>	<u>(1,166,600)</u>	<u>18,208,830</u>	<u>17,207,395</u>

The above net assets include £164,565 that was transferred as cash.

The fair value of the freehold land and buildings was provided by the EFA on 31 August 2012, and as such no depreciation has been charged in the year.

29 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £34,008 and disbursed £15,048, with therefore an amount of £17,260 repayable to the Academy Trust at the 31 August 2012 included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £1,700 has been recognised in income and expenditure in the statement of financial activities.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO COTHAM SCHOOL LIMITED AND THE EDUCATION FUNDING

In accordance with the terms of our engagement letter dated 30 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cotham School Limited during the period 1 September 2011 to 31 August 2012 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 Cotham School Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cotham School Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Cotham School Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cotham School Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cotham School Limited's funding agreement with the Secretary of State for Education dated 01 August 2011 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. 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 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2011/12 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
COTHAM SCHOOL LIMITED AND THE EDUCATION FUNDING *(continued)*

Conclusion

In the course of our work, except for the matters listed below, 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 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

There was a theft of computer equipment of the value £7,500 during the year, which exceeded the value specified in the annual funding letter, which was not notified to the Secretary of State as required under the Funding Agreement. Retrospective notification has been made.



BAKER TILLY UK AUDIT LLP

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

Date: 21 December 2012