

COTHAM SCHOOL
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014

Company Registration Number:
07732888 (England and Wales)

Cotham School

Contents

Contents	Page
Reference and Administrative Details	1
Governors' Report	3
Governance Statement	11
Statement on Regularity, Propriety and Compliance	14
Statement of Governors' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Statement of Financial Activities incorporating Income & Expenditure Account	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	20
Other Notes to the Financial Statements	23

Cotham School Limited

Reference and Administrative Details

Governors (Trustees) (NB all Governors are directors of Cotham School)	David Yorath*	(Chair) Resigned (31 August 2014)
	Dora Alderson	(Chair of Personnel and Training Committee)
	Jim Bowyer*	(Chair of Learning and Wellbeing Committee), Appointed as Chair of Governors (10 September 2014)
	Dave Brockington	
	Ed Carpenter*	
	Andrew Ellis	
	Caroline Francis	
	Sandra Fryer*	(Chair of Finance, Premises and General Purposes Committee)
	Helen Gordon	
	Bill Greenslade	
	Claire Grocott**	
	Lynda Hay**	Term of office ended 22 July 2014
	Jeremy Krause	
	Bronwen Lewis*	Resigned 24 March 2014
	Lesley Spring**	
	Sujitha Subramanian**	
	Malcolm Willis	(Headteacher and Accounting Officer)
	David Winter**	(Chair of Audit Committee)

*Members of the Finance, Premises and General Purposes Committee

** Members of the Audit Committee

Company Secretary	Thursa Swindall	Appointed 11 September 2013/ Resigned 07 August 2014
	Mel Sperring	Resigned 10 September 2013
	Leanne Sowersby	Appointed 1 September 2014
Internal Auditor	Robert Skinner	
Senior Management Team	Headteacher	Dr Malcolm Willis
	Deputy Head KS3	Christine Ansell
	Deputy Head KS4	Svetlana Bajic-Raymond
	Director NBP16	Marian Curran
	Assistant Head KS4	John Heayberd
	Assistant Head KS3	Annette Rothwell
	Assistant Head P16	Sally Papworth (acting)
	Business Manager	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 6AD	

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

Report of the Governors

For the year ended 31 August 2014

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 2014. The annual report serves the purposes of both a trustees report, and a directors report under company law.

The Governing Body operates an academy for students aged 11 – 18 serving a catchment area in North Central Bristol. It has a student capacity of 1012 in years 7 – 11 and a roll of 1006, with an additional 393 students in Post 16 as per the school census in October 2013.

Cotham School has adopted the Cooperative Academy Memorandum and Articles of Association.

Structure, Governance and Management

Constitution

The academy trust 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 1.

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 £5,000,000.

Method of Recruitment and Appointment or Election of Governors

The strategic 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 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 2014 and who served during the year are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Governors

When a new Governor is appointed a needs' assessment is undertaken. The training and induction provided for each new Governor will be based on this assessment and may include training on educational, legal or financial matters. The Governing Body has access to funds to provide external training where necessary. 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 in any one 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.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

Organisational Structure (continued)

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 Governing Body meet 6 times per academic year to receive reports from its committees and manage its strategic objectives.

There are 4 main committees:

The Finance, Premises and General Purposes Committee which meets 6 times per year to receive and review budget monitoring reports and the 3 year budget forecast, internal audit reports, risk management, health and safety and to strategically review the annual maintenance and development plans.

The Personal and Training Committee which meets 6 times per year to review human resources issues including the staffing structure, professional development, and policy.

The Learning and Wellbeing Committee which meets 6 times per year to review student achievement, wellbeing and the curriculum.

The Audit Committee which meets 3 times per year to review the effectiveness of financial and other control systems, risk management and internal audit recommendations.

The Senior Leadership Team is comprised of the Head Teacher, Deputy Head Teachers, Assistant Heads and the Business Manager. The Leadership Team manage the School at a day to day level, implementing the policies laid down by the Governors and reporting back to them.

Connected Organisations, including Related Party Relationships

The North Bristol Post 16 Centre is managed in a 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.

Cotham School is a Cooperative Academy and 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 appoint a Governor.

Objectives and Activities

Objects and Aims

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;

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

Objects and aims (continued)

- The School will provide education for pupils of different abilities; and
- The School will provide education for pupils who are mainly drawn from the area in which the School is situated.

The main aims and objectives of the School during the year ended 31 August 2014 are summarised below:

Priority 1. TO FURTHER IMPROVE STUDENT OUTCOMES

Aims:

- To continue to narrow the gaps between identified groups of students at all key stages.
- To continue the development of the whole-school approach to literacy and numeracy that delivers a comprehensive, coordinated, coherent, progressive programme throughout the school.
- To develop aspiration and engagement through a comprehensive CEIAG & WRL programme.
- To improve attainment and value-added at all key stages.
- To enhance differentiation to support students, at all key stages, making rapid and sustained progress in their learning.
- To enhance the development of students' social, moral, spiritual and cultural development (SMSC).
- To further develop the role of the form tutor with an emphasis on supporting learning and attitudes to learning.

Priority 2. TO FURTHER IMPROVE THE QUALITY OF LEARNING & TEACHING

Aims:

- To further develop staff repertoire of T & L strategies to create inclusive and effective classrooms where all students make rapid and sustained progress and develop independence in their learning.
- To develop T & L through peer observations and teachers working in collaborative enquiry groups during 2013-14.
- To further develop the use of group work.
- To narrow the gap in progress of all identified groups at a classroom level.
- To ensure students receive good quality feedback through marking, AfL, and dialogue with staff.
- To focus CPD primarily upon all aspects of T & L.
- To ensure that all lessons observed are good and frequently outstanding.

Priority 3. TO FURTHER IMPROVE STUDENT BEHAVIOUR

Aims:

- To use behaviour data effectively to create and implement strategies for improvement.
- To develop the behaviour management of staff through CPD.
- To embed implementation of the revised Behaviour Policy.
- To reduce exclusions for SA+, EAL, Black Caribbean, Black African & WBCR.
- To reduce the number of behaviour incidents in identified groups: boys, SEN, FSM, Pupil Premium and BME (BSOM & MWBC in particular).
- To maintain attendance initiatives, move beyond 95% & reduce persistent absence.
- To regularly report on behaviour data at SLT & Govers L & WB Committee with evaluation of follow-up impact.
- To continue to strengthen Student Voice with a focus on work within the curriculum.

Priority 4. TO FURTHER STRENGTHEN LEADERSHIP AND MANAGEMENT

Aims:

- To ensure that the curriculum meets the needs of all students.
- To increase engagement of stakeholders through Co-operative membership.
- To enhance learning and extra-curricular opportunities through the school's specialisms, with a focus on Pupil Premium students.
- To ensure Performance Management objectives are focused on narrowing the gaps between identified groups and that all students make sustained and rapid progress.
- To implement the new Pay Policy during 2013/14.
- To ensure PM is robust and consistent through improved guidance for setting objectives and measuring performance.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

- g) To offer leadership development opportunities through secondments to SLT to improve leadership capacity and succession planning.
- h) To maintain robust evaluation of the impact of the spending of the Pupil Premium with regular reporting to Governors' L & WB Committee.

Priority 4 (continued)

- i) To minimise the risks identified on the Risk Register.
- j) j. To further safeguard the well-being of all stakeholders.
- k) k. To improve T & L through swift intervention following Performance Reviews.

Public Benefit

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

Strategic Report

Achievements and Performance

Key Performance Indicators

Analysis of public examination outcomes for the academic year 2013/14:

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.

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	2012	2013	National Results 2013	2014	Targets 2014 Expected Progress
L5+	93	88	86	90	90
L6+	76	62	55	60	61
Maths	2012	2013	2014	2014	2014
L5+	90	90	84	87	88
L6+	79	79	62	73	68
Science	2012	2013	2014	2014	2014
L5+	96	92	85	92	90
L6+	84	74	56	75	63

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. This year's cohort had a similar Average Point score to the previous year group, but had fewer students at the top end and more in the middle and at the bottom. The Level 5+ and Level 6 figures are excellent, particularly when this is taken into consideration.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

Key Stage 4 results (3 year trend against national)

PERFORMANCE INDICATORS	2011/12	NATIONAL 2012	2012/13	NATIONAL 2013	2013/14	NATIONAL 2014
Cohort no.	171		177		180	Not available
Average capped 8 point score	527	474	540	461	491 [^]	Not available
5A*-C inc. En&Ma %	56	58	64	60	79	53
5A*-C %	79	82	80	82	84	63
5A*-G %	98	95	97	95	99	Not available
EBacc %	18	16	32	22	41	Not available
3+levels of progress English %	74	67	66	69	84	72
3+levels of progress Maths %	70	68	83	70	89	66
4+levels of progress English %	38	28	31	30	41	Not available
4+levels of progress Maths	36	31	46	32	56	Not available

Although the OFQUAL has informed all governing bodies that the data year on year are NOT comparable due to significant changes to the qualifications and examination demands, ours show a positive trend over the last three years since converting into a cooperative academy. National averages for 2014 are not yet available.

Post 16 (Key Stage 5) Outcomes 2014 (provisional)

A2 Summary of Results 2014: Cotham Learning Community and Centre

A2 LEVEL - provisional		NBP16 2012	NBP16 2013	NBP16 2014
No. students	Centre	339	321	321
	Cotham	178	187	149
A*	Centre	7.7%	13.0%	9.0%
	Cotham	10.1%	12.2%	7.0%
	National Average	7.9%	7.6%	8.2%
A*-A	Centre	26.5%	34.0%	26.0%
	Cotham School	33.3%	34.4%	22.0%
	National Average	26.0%	26.3%	25.7%
A*-B	Centre	54.3%	62.5%	53.0%
	Cotham	61.1%	64.8%	44.0%
	National Average	52.6%	52.9%	50.4%
A-E	Centre	98.4%	99.5%	99.0%
	Cotham	98.0%	99.8%	
	National Average	98.0%	98.6%	97.4%
Average point score per entry	Centre	222.7	224.1	225.6
	Cotham	223.2	226.3	219.6
Average point score per student	Centre	807.7	789.5	757.0
	Cotham	829.0	787.0	705.5

Cotham Targets:

Average point score per entry: 212

Average point score per student: 679

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

AS Summary of results 2014: Cotham Learning community and Centre

AS LEVEL – provisional		NBP16 2012	NBP16 2013	NBP16 2014
No. students	Centre	458	405	447
A-B	Centre	44.0%	36.8%	47.0%
	Cotham	45.8%	28.8%	41.0%
	National Average	39.6%	39.8%	38.2%
A-C	Centre	63.6%	61.3%	70.0%
	Cotham	65.6%	50.2%	65.0%
	National Average	65.6%	60.8%	58.4%
A-E	Centre	88.4%	90.0%	93.0%
	Cotham	88.5%	84.0%	91.0%
	National Average	88.4%	88.4%	86.9%
Av point score per entry	Centre	96.99	91.7	106.1
	Cotham	97.01	82.0	101.2
Av point score per student	Centre	364.82	329.7	339.9
	Cotham	361.21	277.3	291.1

Going Concern

After making appropriate enquiries and receiving reports, 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

Restricted General Fund

The majority of the Academy's income was received through Education Funding Agency (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 £8,216,220, expenditure against the fund was £7,942,949, giving a restricted revenue surplus for the year of £273,271 before transfers from the Restricted Fixed Asset Fund.

Unrestricted Funds

Income received into the Unrestricted Fund was £250,221. This was predominantly attributable to sales of school meals, letting of facilities and music tuition fees. Expenditure against the fund was £148,493 for the year, giving an Unrestricted Fund surplus for the year of £101,728.

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 Academies Devolved Formula Capital Funding of £27,439, Academies Capital Maintenance Funding of £5,620 and Local Authority funding of £47,889.

The SOFA details a £17,906,376 Restricted Fixed Asset Fund carried forward balance after transfers between funds. This is detailed in note 16 to the accounts.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

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 £17,906,376 as at 31st August 2014. The movement in this account is detailed in note 12.

Cash in hand at 31st August 2014 was £1,795,667.

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. A comprehensive risk register has been established and is reviewed by the Senior Management Team on a regular basis. A formal review is undertaken in June each year.

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

The deficit of the Local Government Pension Scheme (LGPS) defined benefit pension scheme for the associate staff is a liability of £1,713,000 (2013: £1,433,000 liability). On the balance sheet, this is offset by Academy's reserves.

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.

The Governors regularly review the reserves of the School and consider them to be sufficient for the School's requirements and not excessive. Over the next three years, brought forward reserves will be utilised to develop the school site to ensure quality teaching space is available to accommodate the schools increasing student numbers (see Plans for Future Periods) and to ensure delivery of the schools ICT development plan.

There is a deficit on the restricted general fund of £569,445 at the 31 August 2014. This is due to a LGPS pension fund deficit of £1,713,000 (2013: £1,433,000 deficit). This is a long term liability and is being reduced by employer annual deficit recovery payments.

Investment Policy

The school has invested £200,000 in the Virgin Charity Account and £85,000 in Cambridge and Counties. All others funds have been held in the academy current account, however the school will seek further minimal risk investments in the next academic year.

Principles

The Governors' Finance, Premises and General Purposes Committee (FPGP) aims to ensure that funds which the school does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk.

The aim is to spend public monies with which the school is entrusted for the direct educational benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Purposes:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working requirements
- To minimise the risk of loss in the value of any cash funds invested
- To optimise returns on invested funds

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2014

Investment Policy (continued)

Guidelines:

Ethical Considerations

Cotham School operates a socially responsible investment system. This encompasses the following principles:

- Avoiding arms trade and manufacturers
- Avoiding all tobacco products
- Avoiding any company that is in violation of an international sanction
- Avoiding any company that would present a severe reputational risk to the school

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.

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 continuing education or employment. Cotham School has a diverse student community, the development of skills, personal attributes, creativity, sense of purpose, ambition and belonging will continue to be at the heart of the curriculum.

We will continue to take an additional form of entry into year 7 in 2014 and 2015. During 2014 the school commissioned a feasibility study to determine whether the school would have adequate accommodation to deliver teaching and learning once the school reaches its full capacity of 1530 students in September 2015. The study concluded that there were insufficient general teaching rooms. The school also has an off-site playing field some 2.5 miles from the main school site; the school transports students to the playing fields daily, however the feasibility study identified the potential to construct an 'all weather' pitch on the main school site that would greatly reduce the amount of travelling time and improve student's physical education experience. As a result of the feasibility study, a concept design for additional classroom and an 'all weather' pitch has been created; this plan will be taken to detailed design in the next academic year. Subject to affordability, it is hoped that the school will have 4 additional general teaching rooms and an all-weather pitch on site by September 2015.

Funds held as Custodian Trustee on behalf of others

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

Auditor

In so far as the Governors are aware:

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

The auditors, 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.

Governors Report, incorporating a strategic report approved by order of the board of trustees on ...10/12/14... and signed on its behalf by:

Jim Bowyer
Chair of Governors

Date:

10 12 14.

Cotham School Limited

Governance Statement

For the year ended 31 August 2014

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	6	6
Jim Bowyer*	6	6
Dave Brockington	5	6
Ed Carpenter	6	6
Andrew Ellis	4	6
Caroline Francis	3	6
Sandra Fryer* (Chair FP&GP Committee)	5	6
Helen Gordon	2	6
Bill Greenslade	1	6
Claire Grocott**	5	6
Lynda Hay**	3	6
Jeremy Krause	6	6
Bronwen Lewis* (resigned 24/3/14)	0	2
Lesley Spring**	4	6
Sujitha Subramanian**	3	6
Malcolm Willis (Headteacher and Accounting Officer)	6	6
David Winter** (chair – Audit committee)	6	6

*Members of the Finance, Property and General Purposes Committee

**Members of the Audit Committee

The Trust undertook a self-assessment exercise (including a 360 degree review of the Chair) at the final meeting of the Governing Body in the 2013/14 year. The exercise was expanded over the summer of 2014 to include Governors who had not been present at the meeting. The results of both exercises will be reported to the Appointments and Standards Committee to inform the Governor Induction and Development Programme. The Governing Body intends to carry out a similar exercise in 2014/15.

The Audit Committee is a sub-committee of the main Governing Body. It is the responsibility of the Audit Committee to provide the governing body with independent assurance that:

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained, and;
- Financial considerations are fully taken into account in reaching decisions.

Cotham School Limited
Governance Statement (continued)
For the year ended 31 August 2014

Attendance at meetings in the year was as follows:

Audit Committee Member	Meetings attended	Out of a possible
David Winter (Chair)	3	3
Claire Grocott	2	3
Linda Hay	1	3
Sujitha Subramanian	2	3
Malcolm Willis (Accounting Officer)	2	3
Mel Sperring (Business Manager)	2	3
Bob Skinner (Internal Auditor)	3	3

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)	5	7
Jim Bowyer	7	7
Ed Carpenter	7	7
Bronwen Lewis (resigned 24/3/14)	4	4
Malcolm Willis (Headteacher and Accounting Officer)	7	7
David Yorath (Chair of Governors)	6	7

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 2014 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 2014 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 2014

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 financial 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 appointed an internal auditor and established an Audit Committee. The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Internal Auditor reports to the Audit Committee, which in turn reports to the Governing Body, on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. During the year the Internal Auditor has delivered the planned schedule of work with no material control issues arising.

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 Internal Auditor;
- the work of the External auditor; and
- 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 10/12/14 and signed on its behalf by:

Jim Bowyer
Chair of Governors



Malcolm Willis
Accounting Officer



Cotham School Limited

Statement on Regularity, Propriety and Compliance

For the year ended 31 August 2014

As accounting officer of Cotham School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust 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 trust board of trustees are able to identify any material 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 irregularity, impropriety or funding non-compliance have been discovered to date.



Malcolm Willis
Accounting Officer

Date: 10/12/14

Cotham School Limited

Statement of Governors Responsibilities

For the year ended 31 August 2014

The Governors (who act as Governors of Cotham School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

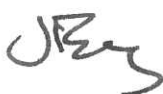
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 board of trustees on 10/12/14 and signed on its behalf by:

Jim Bowyer
Chair of Governors



Date:

10 12 14

Cotham School Limited

Independent Auditors Report

For the year ended 31 August 2014

We have audited the financial statements of Cotham School for the year ended 31 August 2014 on pages 17 to 38. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

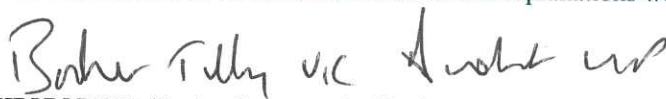
Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated Strategic 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.


KATHRYN REID (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Hartwell House, 55-61 Victoria Street
Bristol, BS1 6AD

Date: 16/12/14

Cotham School

Statement of Financial Activities (including income and expenditure account and Statement of Recognised Gains and Losses)

For the year ended 31 August 2014

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	9,844	80,948	90,792	273,020
Activities for generating funds	3	246,255	306,414	-	552,669	480,002
Investment income	4	3,966	-	-	3,966	1,817
<i>Incoming resources from Charitable activities:</i>						
Academy's educational operations	5	-	7,899,962	-	7,899,962	7,707,271
Total incoming resources		250,221	8,216,220	80,948	8,547,389	8,462,110
Resources expended						
<i>Costs of generating funds:</i>						
Fundraising Trading	6	27,628	287,542	-	315,170	303,469
<i>Charitable activities:</i>						
Academy's educational operations	7	120,865	7,634,382	427,248	8,182,495	7,901,093
Governance costs	8	-	21,025	-	21,025	32,295
Total resources expended		148,493	7,942,949	427,248	8,518,690	8,236,857
Net incoming/(outgoing) resources before transfers		101,728	273,271	(346,300)	28,699	225,253
Transfers						
Gross transfers between funds	16	-	(79,689)	79,689	-	-
Net income/(expenditure) for the year		101,728	193,582	(266,611)	28,699	225,253
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(180,000)	-	(180,000)	72,000
Net movement in funds		101,728	13,582	(266,611)	(151,301)	297,253
Reconciliation of funds						
Total funds brought forward at 1 September 2013	16	262,720	(583,027)	18,172,987	17,852,680	17,555,427
Total funds carried forward at 31 August 2014		364,448	(569,445)	17,906,376	17,701,379	17,852,680

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.

Cotham School

Balance Sheet

As at 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed Assets					
Tangible Fixed Assets	12		17,906,376		18,172,987
Current Assets					
Stock	13	9,484		6,452	
Debtors	14	248,473		280,590	
Cash at bank and in hand		<u>1,795,667</u>		<u>1,433,981</u>	
		2,053,624		1,721,023	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(545,621)</u>		<u>(608,330)</u>	
Net current assets			<u>1,508,003</u>		<u>1,112,693</u>
Net assets excluding pension liability			19,414,379		19,285,680
Pension scheme liability	26		<u>(1,713,000)</u>		<u>(1,433,000)</u>
Net assets including pension liability			<u>17,701,379</u>		<u>17,852,680</u>
Funds of the academy trust:					
Restricted income funds					
– Restricted Fixed asset fund	16	17,906,376		18,172,987	
– General fund	16	<u>1,143,555</u>		<u>849,973</u>	
Restricted funds excluding pension reserve		19,049,931		19,022,960	
Pension Reserve	16	<u>(1,713,000)</u>		<u>(1,433,000)</u>	
Total restricted funds			17,336,931		17,589,960
Total unrestricted income funds	16	<u>364,448</u>		<u>262,720</u>	
Total unrestricted funds			<u>364,448</u>		<u>262,720</u>
Total funds			<u>17,701,379</u>		<u>17,852,680</u>

The financial statements on pages 17 to 38 were approved by the governors, and authorised for issue on
2014 and are signed on their behalf by:

Jim Bowyer
Chair of Governors



Date:

10 12 14.

Cotham School

Cash Flow Statement

For the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	20	437,409	466,697
Returns on investments and servicing of finance	21	3,966	1,817
Capital expenditure	22	(79,689)	(39,143)
Increase in cash in the year	23	361,686	429,371
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		1,433,981	1,004,610
Net funds at 31 August 2014		1,795,667	1,433,981

Cotham School

Notes to the Financial Statements

For the Year Ended 31 August 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

All incoming resources are recognised when the academy trust 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 is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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 in other creditors as amounts due to be dispersed to students.

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.

Donated Services and Gifts in Kind

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.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

1. Statement of Accounting Policies (continued)

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.

- **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 trust's educational operations.
- **Governance Costs**
These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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.

During 2013/14 the Governors approved a change in Accounting Policy such that from 1 September 2014, assets, other than computer equipment, costing more than £2,500 will be capitalised. For computer equipment, assets costing £500 or more will continue to be capitalised.

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 trust'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:

- | | |
|------------------------------------|--------|
| • Freehold buildings | 2% pa |
| • Fixtures, fittings and equipment | 10% pa |
| • Computer equipment | 20% pa |
| • Motor Vehicles | 20% pa |
| • Plant & Equipment | 10% 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.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

1. Statement of Accounting Policies (continued)

Leased Assets

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

Stock

Catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust 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 trust 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 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.

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 Trustees.

Restricted fixed asset 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.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the EFA.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DFE/ EFA Capital Grants	-	33,059	33,059	88,539
Capital Income from Local Authority	-	47,889	47,889	155,941
Other Donations	-	9,844	9,844	28,540
	<u>-</u>	<u>90,792</u>	<u>90,792</u>	<u>273,020</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Income from fundraising events	-	303,750	303,750	260,840
Hire of facilities	40,162	2,664	42,826	44,324
Catering income	179,528	-	179,528	146,840
Other Sundry Income	26,565	-	26,565	27,998
	<u>246,255</u>	<u>306,414</u>	<u>552,669</u>	<u>480,002</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Short term deposits	3,966	-	3,966	1,817
	<u>3,966</u>	<u>-</u>	<u>3,966</u>	<u>1,817</u>

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE/EFA Grants				
- General Annual Grant (GAG)	-	7,421,839	7,421,839	7,352,754
Other DfE/EFA grants	-	341,093	341,093	315,093
	<u>-</u>	<u>7,762,932</u>	<u>7,762,932</u>	<u>7,667,847</u>
Other Government grants				
- Local authority grants	-	124,280	124,280	22,674
- Special educational projects	-	12,750	12,750	16,750
	<u>-</u>	<u>137,030</u>	<u>137,030</u>	<u>39,424</u>
	<u>-</u>	<u>7,899,962</u>	<u>7,899,962</u>	<u>7,707,271</u>

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

6 Resources Expended	Staff costs	Non Pay expenditure		Total	Total
	£	Premises £	Other costs £	2014 £	2013 £ (Re-analysed)
Fundraising trading	23,427	-	291,743	315,170	303,469
Academy's educational operations					
- Direct costs	4,853,325	286,949	751,892	5,892,166	5,804,932
- Allocated support costs	964,445	587,291	738,593	2,290,329	2,096,161
	5,841,197	874,240	1,782,228	8,497,665	8,204,562
Governance costs including allocated support costs	-	-	21,025	21,025	32,295
	5,841,197	874,240	1,803,253	8,518,690	8,236,857
Net incoming/outgoing resources for the year include:				2014 £	2013 £
Operating leases:					
- Plant & Machinery				39,730	35,329
- Other leases				4,819	2,311

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

7 Charitable Activities – Academy's Educational Operations

	Total 2014 £	Total 2013 £ (Re-analysed)
Direct costs		
Teaching and educational support staff costs	4,853,325	4,755,699
Depreciation	286,949	285,719
Technology costs	13,926	7,101
Educational supplies	269,289	265,794
Examination fees	131,983	138,900
Staff development	44,908	49,301
Educational Consultancy	879	-
Other direct costs	290,907	302,418
	<u>5,892,166</u>	<u>5,804,932</u>
Allocated support costs		
Support staff costs	964,445	901,343
Depreciation	131,523	99,605
Loss on disposal of fixed assets	8,776	-
Technology costs	78,758	68,873
Recruitment and support	43,785	33,729
Maintenance of premises and equipment	231,116	206,656
Cleaning	154,325	149,009
Rent & rates	43,936	73,426
Energy costs	157,914	148,163
Insurance	61,465	60,648
Security and transport	73,514	62,581
Catering	120,865	102,944
Bank interest and charges	3,216	3,183
Other support costs	216,691	186,001
	<u>2,290,329</u>	<u>2,096,161</u>
	<u>8,182,495</u>	<u>7,901,093</u>

The split of staff costs between Direct Costs and Allocated Support Costs has been re-analysed to move educational support staff from Support staff costs to Teaching and educational support staff costs.

8 Governance costs

	Total 2014 £	Total 2013 £
Legal and professional fees	5,509	13,553
Auditors remuneration:		
Audit of financial statements	15,516	15,742
Other services	-	3,000
	<u>21,025</u>	<u>32,295</u>

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

9 Staff costs

Staff costs during the period were:

	2014	2013
	£	£
Wages and salaries	4,901,114	4,755,310
Social security costs	321,008	338,747
Pension costs	463,657	456,635
	<u>5,685,779</u>	<u>5,550,692</u>
Supply teacher costs	117,138	107,451
Staff restructuring costs	38,280	10,000
	<u>5,841,197</u>	<u>5,668,143</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £38,280 (2013: £10,000). Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were £24,280 and £14,000.

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	2014	2013
	No.	No. (Re-stated)
Charitable Activities		
Teachers	77	76
Administration and support	65	61
Management	8	8
	<u>150</u>	<u>145</u>

The average number of persons (including senior management team) employed by the academy during the year expressed as individual headcount was as follows:

	2014	2013
	No.	No. (Re-stated)
Teachers	94	90
Administration and Support	85	81
Management	8	8
	<u>187</u>	<u>179</u>

2013 employee numbers have been re-stated to include Catering staff.

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

£60,001 - £70,000	2	2
£100,001 - £110,000	1	1
	<u>3</u>	<u>3</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, employers pension contributions for these staff amounted to £33,175 (2013: £32,852).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

10 Trustees' Remuneration & Expenses

The principal and other 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 other than expenses from the Academy Trust in respect of their role as governors. The value of staff governors' remuneration for the year was as follows:

Malcolm Willis (Principal and governor)	£100,000 to £105,000 (2013: £95,000 - £100,000)
Caroline Francis (staff governor)	£45,000 to £50,000 (2013: £45,000 to £50,000)
Andrew Ellis (staff governor)	£45,000 to £50,000 (2013: £45,000 to £50,000)
Ed Carpenter (staff governor)	£25,000 to £30,000 (2013: £25,000 to £30,000)

The Headteacher is accruing retirement benefits under the Teachers Pensions Scheme and contributions paid in the year amounted to £14,101 (2013: £13,967).

The staff trustees are accruing retirement benefits under the Teachers' Pension Scheme and the Local Government Pension Scheme. Contributions paid in the year amounted to £13,049 to the Teachers' Pension Scheme (2013: £9,550) and £3,461 to the Local Government Pension scheme (2013: £2,419).

During the year ended 31 August 2014, travel and subsistence expenses totalling £600 (2013: £523) were reimbursed to 3 governors (2013: 2). Travel and subsistence expenses reimbursed related to school business activity, no expenses were reimbursed in relation to school Governance.

Other related party transactions involving the trustees are set out in note 27.

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 £5,000,000 (2013: £5,000,000) on any one claim and the cost for the year ended 31 August 2014 was £1,556 (2013: £1,511).

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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

12 Tangible Fixed Assets

Cost	Freehold Land & Buildings £	Furniture & Equipment £	Computer Equipment £	Motor vehicles £	Total £
At 1 September 2013	17,925,978	187,827	516,664	10,840	18,641,309
Additions	-	80,200	80,437	-	160,637
Disposals	-	(1,831)	(13,800)	-	(15,631)
At 31 August 2014	<u>17,925,978</u>	<u>266,196</u>	<u>583,301</u>	<u>10,840</u>	<u>18,786,315</u>
Depreciation					
At 1 September 2013	285,719	31,081	147,186	4,336	468,322
Charged in year	286,949	21,689	107,666	2,168	418,472
Disposals	-	(435)	(6,420)	-	(6,855)
At 31 August 2014	<u>572,668</u>	<u>52,335</u>	<u>248,432</u>	<u>6,504</u>	<u>879,939</u>
Net book values					
As at 31 August 2014	<u>17,353,310</u>	<u>213,861</u>	<u>334,869</u>	<u>4,336</u>	<u>17,906,376</u>
As at 31 August 2013	<u>17,640,259</u>	<u>156,746</u>	<u>369,478</u>	<u>6,504</u>	<u>18,172,987</u>

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

13 Stock	2014 £	2013 £
Catering	9,484	6,452
	<u>9,484</u>	<u>6,452</u>
14 Debtors	2014 £	2013 £
Trade debtors	5,030	617
VAT recoverable	119,991	75,340
Other debtors	6,584	11,848
Prepayments and accrued income	<u>116,868</u>	<u>192,785</u>
	<u>248,473</u>	<u>280,590</u>
15 Creditors: Amounts falling due within one year	2014 £	2013 £
Trade creditors	270,198	292,325
Other taxation and social security	105,128	109,062
Other creditors	52,177	33,269
Accruals and deferred income	<u>118,118</u>	<u>173,674</u>
	<u>545,621</u>	<u>608,330</u>
Deferred income	£	
Income deferred at 1 September 2013	35,144	
Resources deferred in the year	59,957	
Amounts released from previous years	<u>(35,144)</u>	
Income deferred at 31 August 2014	<u>59,957</u>	

At the balance sheet date the academy trust was holding funds received in advance for educational visits booked for the 2014/15 school year (£29,835), music tuition fees for the 2014/15 school year (£3,833) and rates relief received in advance from the EFA relating to the 2014/15 academic year (£26,289).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

16 Funds

	1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG) (excluding pension reserve)	313,855	7,421,839	(7,275,195)	(79,689)	380,810
Pension reserve	(1,433,000)	-	(100,000)	(180,000)	(1,713,000)
General Annual Grant (GAG)	(1,119,145)	7,421,839	(7,375,195)	(259,689)	(1,332,190)
Other DfE/EFA grants	360,567	341,093	(260,230)	-	441,430
Other Government Grants	84,727	146,874	(19,982)	-	211,619
Activities for generating funds	90,824	306,414	(287,542)	-	109,696
	(583,027)	8,216,220	(7,942,949)	(259,689)	(569,445)
Restricted fixed asset funds					
Assets inherited from Local Authority	17,807,378	-	(351,659)	-	17,455,719
DfE/EFA capital grants	86,792	33,059	(6,246)	-	113,605
Capital expenditure from GAG	30,078	-	(9,111)	79,689	100,656
Local Authority Grants	248,739	47,889	(60,232)	-	236,396
	18,172,987	80,948	(427,248)	79,689	17,906,376
Total restricted funds	17,589,960	8,297,168	(8,370,197)	(180,000)	17,336,931
Unrestricted funds					
Unrestricted funds	262,720	250,221	(148,493)	-	364,448
Total unrestricted funds	262,720	250,221	(148,493)	-	364,448
Total funds	17,852,680	8,547,389	(8,518,690)	(180,000)	17,701,379

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. Under the Funding Agreement with the Secretary of State, GAG funding is restricted for use only on the Academy's educational operations.

Other grants include funding for statemented support, Summer Schools and Local Authority Growth Fund. Other DfE/EFA grants include Pupil Premium and Year 7 Catch Up funding. This income is restricted based on the requirements of the specific grant agreements. The pension fund also sits in restricted funds, further details can be found in note 26. These are restricted as these resources were provided with specific restrictions imposed by the funder or donor.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Unrestricted funds include catering income, lettings income, fees for music tuition and investment income.

The restricted fixed assets funds comprise funding provided by the EFA and Local Authority to support capital expenditure. It is restricted for use on capital items for the Academy's educational operations.

The transfer of £79,689 between the restricted general fund and the restricted fixed asset fund increases the value of the fixed asset fund to adjust for capital income in the year being less than capital spend on fixed assets, with the shortfall being funded by a transfer from the restricted general fund.

The balance on the restricted general fund (excluding pension reserve) plus the balance on the unrestricted fund at 31 August 2014 is a surplus of £1,508,003 (2013: £1,112,693).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

17 Analysis of Net Assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total funds £
Tangible fixed assets	-	-	17,906,376	17,906,376
Current assets	368,281	1,685,343	-	2,053,624
Current liabilities	(3,833)	(541,788)	-	(545,621)
Pension scheme liability	-	(1,713,000)	-	(1,713,000)
Total net assets	364,448	(569,445)	17,906,376	17,701,379

18 Capital Commitments

At 31 August the Academy Trust had no capital commitments. During September 2014 the Academy entered into a contract with a third party, valued at £131,950, to design and obtain funding for additional classroom space. Depending on the outcome of the funding application, this commitment may be capitalised in the 2014/15 financial statements.

19 Financial Commitments

Operating Leases

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

	2014 £	2013 £
Other:		
Expiring within one year	360	-
Expiring within two and five years inclusive	43,599	44,319
Expiring in over five years	-	-
	43,959	44,319

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

20 Reconciliation of Net income to Net Cash Inflow from Operating Activities

	Total 2014 £	Total 2013 £
Net income	28,699	225,253
Depreciation (note 12)	418,472	385,324
Loss on disposal of fixed assets	8,776	-
Capital grants from DfE and other capital income	(80,948)	(244,480)
Interest receivable (note 4)	(3,966)	(1,817)
FRS 17 pension costs less contributions payable (note 26)	52,000	52,000
FRS 17 pension finance income (note 26)	48,000	52,000
(Increase)/ decrease in stocks	(3,032)	750
(Increase)/ decrease in debtors	32,117	(168,489)
Increase/ (decrease) in creditors	(62,709)	166,156
Net Cash Inflow from Operating Activities	437,409	466,697

21 Returns on investments and Servicing of Finance

Interest received	3,966	1,817
Net cash inflow from returns on investment and servicing of finance	3,966	1,817

22 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(160,637)	(283,623)
Capital Grants from DfE/EFA	33,059	88,539
Capital funding received from sponsors and others	47,889	155,941
Net cash (outflow) from capital expenditure and financial investment	(79,689)	(39,143)

	At 1 September 2013 £	Cash Flows £	At 31 August 2014 £
23 Analysis of Changes in Net funds			
Cash in hand and at bank	1,433,981	361,686	1,795,667
	<u>1,433,981</u>	<u>361,686</u>	<u>1,795,667</u>

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

24 Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

25 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.

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 managed by Bath and North East Somerset County Council and advised by Mercer. 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 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

26 Pension and Similar Obligations (continued)

Teachers' Pension Scheme Changes

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

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £297,000 (2013: £256,000), of which employer's contributions totalled £213,000 (2013: £180,000) and employees' contributions totalled £84,000 (2013: £76,000). The agreed contribution rates for future years are 12.4% for employers for 2014/15 increasing to 13.7% by 2016/17 and a range from 5.5% to 8.5% for employees depending on salary.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Academy Trust also makes additional contributions in addition to normal funding levels. These annual deficit recovery contributions were calculated to be paid over a period of 25 years from 2011.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

26 Pension and Similar Obligations (continued)

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.7%	3.9%
Rate of increase for pensions in payment/inflation	2.2%	2.4%
Discount rate for scheme liabilities	4.0%	4.5%
Inflation assumption (CPI)	2.2%	2.4%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	23.3	22.9
Females	25.8	25.9
<i>Retiring in 20 years</i>		
Males	25.7	25.2
Females	28.7	28.2

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	7.0%	651,000	7.0%	658,000
Government Bonds	2.9%	102,000	3.4%	109,000
Other bonds	3.8%	127,000	4.4%	90,000
Property	6.2%	90,000	5.7%	72,000
Cash/liquidity	0.5%	39,000	0.5%	18,000
Other	7.0%	174,000	7.0%	72,000
Total market value of assets		1,183,000		1,019,000
Present value of scheme liabilities				
- Funded		(2,896,000)		(2,452,000)
Surplus/(deficit) in the scheme		(1,713,000)		(1,433,000)

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

26 Pension and Similar Obligations (continued)

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.

The actual return on scheme assets was £127,000 (2013: £115,000).

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	265,000	232,000
Total operating charge	265,000	232,000
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(68,000)	(43,000)
Interest on pension liabilities	116,000	95,000
Pension finance costs	48,000	52,000

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 £286,000 (2013: £106,000 loss).

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

	2014 £	2013 £
As at 1 September	2,452,000	2,050,000
Current service cost	265,000	232,000
Interest cost	116,000	95,000
Employee contributions	84,000	76,000
Actuarial (gain)/loss	11,000	-
Benefits paid	(32,000)	(1,000)
Business combinations	-	-
At 31 August	2,896,000	2,452,000

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2014

26 Pension and Similar Obligations (continued)

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

	2014 £	2013 £
As at 1 September	1,019,000	649,000
Expected return on assets	68,000	43,000
Actuarial gain/(loss)	(169,000)	72,000
Employer contributions	213,000	180,000
Employee contributions	84,000	76,000
Benefits paid	(32,000)	(1,000)
Business combinations	-	-
At 31 August	1,183,000	1,019,000

The estimated value of employer contributions for the year ended 31 August 2015 is £233,000.

The three year history of experience adjustments is as follows:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(2,896,000)	(2,452,000)	(2,050,000)
Fair value of scheme assets	1,183,000	1,019,000	649,000
Deficit in the scheme	(1,713,000)	(1,433,000)	(1,401,000)
Experience adjustments on share of scheme assets:	(169,000)	72,000	15,000
Amount £			
Experience adjustments on scheme liabilities:			
Amount £	71,000	-	-

27 Related Party Transactions

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. No related party transactions took place in the period of account.

28 Agency Arrangements

The Academy Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £38,962 (2013:£11,352) and disbursed £23,013 (2013: £10,348). The Academy Trust retained a beneficial interest in individual transactions such that £1,828 (2013:£568) has been recognised in income and expenditure in the statement of financial activities.

This leaves an amount of £14,121 (2013: £436) available to be dispersed included in other creditors. Including the brought forward creditor, this gives a total amount available to be dispersed at the year-end of £31,817 (2013: £17,696).

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

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

This report is made solely to Cotham School Academy Trust and the EFA in accordance with the terms of our engagement letter dated August 2013. Our work has been undertaken so that we might state to Cotham School Academy Trust 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 Cotham School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Cotham School Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

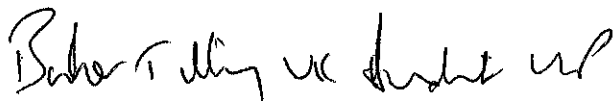
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

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 AND THE EDUCATION FUNDING AGENCY**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BAKER TILLY UK AUDIT LLP
Chartered Accountants
Hartwell House, 55-61 Victoria Street
Bristol, BS1 6AD

Date: 16/12/14