

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013



COSBY PRIMARY SCHOOL
(A company limited by guarantee)

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COSBY PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Governors	Mr M Booley, Chair (appointed 10 July 2012) Mrs T Withers, Head Teacher (appointed 10 July 2012) Mrs R Auton (appointed 10 July 2012) Mr J Blankley (appointed 10 July 2012) Mr A Bolton (appointed 16 September 2013) Mr J Cader (appointed 20 September 2013) Mr R Chapman (appointed 10 July 2012, resigned 4 March 2013) Mrs R Drake (appointed 10 July 2012) Mr R Fura (appointed 10 July 2012, resigned 6 May 2013) Mr J Hemes (appointed 10 July 2012) Mrs H Hobbs (appointed 10 July 2012) Miss C Holmes (appointed 10 July 2012) Mr M Howkins (appointed 10 July 2012) Mr P O'Brien (appointed 16 September 2013) Mrs D Parkinson (appointed 10 July 2012) Mrs C Pepper (appointed 10 July 2012) Mr F Rigby (appointed 10 July 2012, resigned 3 December 2012) Mr I Wakelam (appointed 10 July 2012) Mrs E Watson (appointed 16 September 2013) Mrs R Woodland (appointed 10 July 2012)
Company registered number	08137451
Registered office	Cosby Primary School Portland Street Leicester LE9 1TE
Company secretary	Mrs S Allen
Independent auditor	BDO LLP Pannell House 159 Charles Street Leicester LE1 1LD
Bankers	NatWest Bank Plc 7 Hinckley Road Leicester LE3 0TQ
Solicitors	BHW Solicitors 5 Grove Court Grove Park Enderby Leicestershire LE19 15A

COSBY PRIMARY SCHOOL
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Cosby Primary School (the Academy) for the period ended 31 August 2013. The Governors confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The school is an academy trust, company limited by guarantee and a registered charity. The Charitable Company's Memorandum and Articles of Association are the primary Governing documents of the academy trust. The Academy is constituted under a Articles of Association dated 6 July 2012 and was incorporated on this date. It began trading as a charitable company on 1 August 2012, when school (operating under the Local Authority) ceased and the activities and assets were transferred to the Academy.

The Governors act as the trustees for the charitable activities of Cosby Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cosby Primary School.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details.

b. Method of recruitment and appointment or election of Governors

The Governing Body of Cosby Primary School is constituted as laid down in its Articles of Association and is made up of not less than three Governors but has no stated maximum, allowing us to adjust membership to reflect the needs of the school as it evolves. All Governors, other than the Head Teacher, serve for a term of four years after which they are required to be re-elected/re-appointed. Staff Governors are appointed through open election for all eligible members of staff.

c. Policies and procedures adopted for the induction and training of Governors

The training and induction for new Governors will depend on their existing experience and will be tailored specifically to the needs of the individual. Cosby Primary School has a contract with the LA Governors Development service, which provides governor induction training and other specified courses as required. Copies of minutes, accounts, budgets, plans and other documents needed to undertake the role are available in hard copy on request.

Where a training need is identified the appropriate training is procured which may be on site, on-line or by attendance at an external event. The school budget includes an allocation to allow for training needs to enable such needs to be financed where necessary. Feedback on training undertaken and any action subsequently identified is reported to the full Governing Body.

d. Organisational structure

The Governors, who are also the charity trustees, are responsible for the overall management and control of the school and meet a minimum of four times each academic year.

The work involved in reviewing and ratifying policies is delegated to the members of the Finance and Personnel, Management, Curriculum and Standards committees. These meet at least once per term and work as directed by a chair appointed at the first meeting of the academic year. Terms of reference of these committees are reviewed and ratified annually. The clerk to the Governors is responsible for arranging meetings, supporting the work of the Governors, the preparation of agendas and the production of minutes.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Governors were not paid any remuneration or expenses for carrying out their duties.

The Head Teacher is responsible for the day to day running of the school including teaching and learning and safeguarding and health and safety functions and is supported by the Senior Leadership Team. Day to day administration is undertaken within the policies and procedures agreed by the Governors with major expenditure and other significant decisions being referred to the Governors in line with agreed policy/procedure.

The Head Teacher oversees the recruitment of all staff. She is a staff Governor, Principal Accounting Officer and attends all Governing Body and sub-committee meetings apart from Curriculum Committee, which is attended by the Assistant Head Teacher. The Business Manager attends all Finance and Personnel meetings.

e. Connected organisations, including related party relationships

The Head Teacher and Business Manager are members of several professional organisations and regularly attend a range of local and county-wide meetings to enable them to keep up to date with current educational policies/practice and thinking.

The Academy is part of the South Leicestershire Learning Partnership, which is the group of schools that form the Umbrella Trust as well as the Countesthorpe Development Group, which is a group of schools who work together to share knowledge, experience and expertise between its members. These partnerships aim to provide its members with the support, challenge and networks previously provided through the local authority.

f. Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy (and its finances) and systems are in place to mitigate those risks. The Governors assessed the risks that the academy faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. A financial risk register is in place taking account of established good practice, to ensure any financial risks identified are fully and properly assessed and necessary mitigation put in place. The Governors monitor systems, including operational procedures (vetting of DBS checks and cashflow monitoring) and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls.

g. Governors' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. In accordance, the Academy purchases insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under this policy is £2,000,000.

h. Principal activities

The Academy's principal activity is to educate the pupils within its care to the best of its ability with the funds provided. It aims to provide a broad, balanced and inclusive curriculum that follows statutory guidance from the DfE. It aims to provide the above whilst taking into account the safeguarding and wellbeing of the pupils within its care.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Objectives and Activities

a. Objects and aims

The principal objective of Cosby Primary School as a charitable company is to provide the best education it can for pupils of different abilities between the ages of 4-11 years.

As set out in our Funding Agreement and Articles of Association, the Academy's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing of establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. This includes providing educational facilities and services to pupils of all ages and the wider community for public benefit.

b. Objectives, strategies and activities

Mission Statement:

Working Together for Excellence

Cosby Primary School aims to enable each child to:

- Be someone who loves to learn and puts every effort into all that he/she does.
- Be a confident, independent learner with the skills to succeed in the future.
- Respect and care for him/herself, other people and the environment.
- Work cooperatively and collaboratively with adults and other children.
- Participate fully in school and community life.

Objectives:

Child

- To become independent and caring in a positive environment where individual achievements are recognised, supported and respected.
- To develop self-esteem and self-discipline, behaving well at all times.
- To be involved in all aspects of school life whilst working cooperatively and collaboratively with adults and their peers.
- To respect other people's beliefs, opinions and property, caring for the environment and community.

Teaching

- To provide a stimulating learning environment.
- To use a variety of teaching and learning strategies suited to the needs of the children, to support, challenge and reinforce the learning process.
- To expect high standards of effort and achievement, encouraging self-discipline in both work and behaviour.

Curriculum

- To provide a broad and balanced curriculum that is both relevant and differentiated to the needs of each individual child and which fulfils national requirements.
- To enhance the children's education by offering a wide range of educational opportunities.

Home

- To foster a partnership between home and school, in all aspects of the education of their children.
- To encourage parental support of the Home-School Agreement and the school homework policy.
- To provide information about the curriculum and the progress of each child.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

c. Public benefit

'Public benefit' is the legal requirement that every organisation with one or more charitable aims must be able to demonstrate that its aims are for the public benefit if it is so to be recognised and registered as a charity in England and Wales.

The three underlying principles for the Charity are as follows:

- it must be clear what the benefits are;
- the benefits must be related to the aims;
- benefits must be balanced against detriment or harm.

The aims and objectives of Cosby Primary School are outlined in the section above but in ensuring the school focuses upon these aims the following has been taken into account by the Governing Body:

- the beneficiaries must be appropriate to the aims;
- where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted;
- any private benefits must be incidental.

These principles underline the work undertaken at Cosby Primary School and, through monitoring and evaluation of procedures and policies, the Governing Body ensure that the Academy has complied with its duties.

The Academy's intake includes the village of Cosby as its traditional catchment area; with a small proportion of pupils coming from outside the village which is classed as out of catchment. The Academy has adopted the Admissions Policy of Leicestershire Local Authority and first time admissions to the school are therefore based upon their criteria.

The OFSTED rating as a 'Good School' remains in place and the continual improvements in academic progress ensure that our pupils benefit from the education we provide with an aim to provide outstanding education.

Achievements and performance

a. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 Accounting Policies.

b. Key academic performance indicators

- Pupil achievement is the Academy's key performance indicator;
- Financial performance is monitored monthly against budget and established expenditure profiles;
- All staff undertake performance management.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

c. Review of activities

2013 Key Stage 2 Outcomes

	Reading	Writing	Grammar, Punctuation, Spelling	Maths	Reading, Writing, Maths	Science
Level 4	87	84	82	87	76	97
Level 5	50	42	45	32	18	55
2 levels progress	76	100	-	92	-	-

Pupils at Cosby Primary made good progress in their learning in the academic year 2012/13.

With high proportions of pupils working within the 30-50 month band on entry, pupils made good progress through the Foundation Stage so that the proportion of pupils achieving the expected levels, or exceeding the expected levels, were above those achieved nationally by the end of the year.

At the end of Key Stage 1, outcomes at all levels in Reading, Writing and Maths were consistently higher than national averages and school data shows that all pupils consistently make good progress during Key Stage 1.

At the end of Key Stage 2, the proportions of pupils attaining level 4 were generally in line with, or just above national averages in Reading, Writing, Grammar, Punctuation and Spelling, Maths and Reading, Writing and Maths combined. The proportions of pupils attaining level 5 were in line with or above national averages in all subjects except maths.

The Academy has a broad, balanced and creative curriculum which enables all pupils to develop the skills they need in order to achieve well and succeed in the future. The curriculum is further enhanced by a variety of enrichment opportunities including inspiration days and theme weeks, a range of visits and visitors, and use of the outdoors and local village facilities, as well as extensive extra curricular opportunities.

The academy holds the following awards:

- Basic Skills Award
- Healthy Schools Award
- International Schools Award

Collaboration is a key aspect of the Academy's work and this includes involvement in the local Teaching School Alliance as well as work alongside other academies within the umbrella trust to ensure that our pupils experience a smooth transition at the end of Year 6. Collaborative work with other schools in the local development group provides many opportunities for both staff and pupils to be involved in extension and development work.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Financial review

a. Financial and risk management objectives and policies

The Academy's exposure to risk is largely future intake due to changes in local birth rates, and therefore future bank balances and reserves can be impacted by this.

The Academy has inherited the Local Government defined pension benefit scheme deficit for support staff which it is reducing in line with guidance from the Local Authority.

b. Principal risks and uncertainties

The principal risks for the academy during the future are:

1. fluctuating rolls which impact on the financial aspect of the Academy;
2. risks relating to staffing – absence, recruitment and skillset;
3. future funding changes.

c. Reserves policy

The Governors review the reserve levels of the Academy annually. The review includes nature of income and expenditure with the need to match income with commitments. The Governors have determined an appropriate level of reserves to cover capital expenditure and unexpected emergencies.

The main financial risk to the academy is that of managing its short-term cash flow effectively. To mitigate this risk it has been agreed that an appropriate free reserves balance (made up of the unrestricted funds and the GAG carry forward) would equate to 4 weeks worth of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £100,000. The reason for this is to provide sufficient working capital to enable the Academy to manage its cash flow efficiently thus to cover delays between spending and receipt of grants, to manage annual variations in student numbers and to provide a cushion to deal with unexpected emergencies. The Academy are currently meeting their reserves target.

d. Principal funding

Most of the Academy's income is obtained from the DfE, the use of which is restricted to particular purposes. The income received from the DfE during the period ended 31st August 2013 and the associated expenditure are shown in the restricted funds in the Statement of Financial Activities.

e. Investments policy

The cash flow and bank account is monitored on a weekly basis to ensure that the immediate financial commitments of payroll and payments can be met and that the Academy has adequate balances to meet planned future commitments.

The fund balance is reviewed on a six monthly basis to consider interest rates and possible investment opportunities.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Plans for the future

a. Future developments

The Academy will continue to work to improve outcomes for all pupils through development work in the following key areas:

- Independent learning skills.
- Curriculum development.
- Quality of Teaching.
- Provision of effective support for pupils with identified barriers to learning.

Funds held as custodian

The Academy does not hold funds on behalf of any other organisations.

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.

Provision of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the members of the Governing Body on 19 December 2013 and signed on its behalf by:



Mr M Booley, Chair
Governor

COSBY PRIMARY SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Cosby Primary 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 Head Teacher, 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 Cosby Primary School and the Secretary of State for Education. They are 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 Governors' responsibilities statement. The Governing Body has formally met 5 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr M Booley, Chair	5	5
Mrs T Withers, Head Teacher	5	5
Mrs R Auton	4	5
Mr J Blankley	5	5
Mr A Bolton	0	0
Mr J Cader	0	0
Mr R Chapman	1	1
Mrs R Drake	5	5
Mr R Fura	1	3
Mr J Hemes	5	5
Mrs H Hobbs	5	5
Miss C Holmes	5	5
Mr M Howkins	4	5
Mr P O'Brien	0	0
Mrs D Parkinson	5	5
Mrs C Pepper	4	5
Mr F Rigby	1	1
Mr I Wakelam	5	5
Mrs E Watson	0	0
Mrs R Woodland	5	5

The Curriculum Committee met 3 times during the period to consider curriculum development and monitoring of our provision.

Governor	Meetings attended	Out of a possible
Mr M Booley	3	3
Mr J Blankley	3	3
Mrs R Drake	3	3
Mr M Howkins	3	3
Mr I Wakelam	1	3

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GOVERNANCE STATEMENT (continued)

The Standards Committee also met 3 times with the purpose of understanding the attainment and achievement of the pupils in the Academy.

Governor	Meetings attended	Out of a possible
Mr M Booley	3	3
Mrs T Withers	3	3
Mrs R Auton	2	3
Mr R Chapman	1	1
Mrs D Parkinson	3	3
Mr F Rigby	0	1

The Management Committee meets 3 times each period and is responsible for monitoring and developing the premises, monitoring health and safety and considering capital expenditure.

Governor	Meetings attended	Out of a possible
Mrs T Withers	3	3
Mr J Hemes	3	3
Mrs C Pepper	3	3
Mr R Fura	0	2
Mrs H Hobbs	2	3
Miss C Holmes	3	3
Mr A Tanner	3	3
Msr R Woodland	0	1

The Finance & Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to ensure that the Academy meets the highest standards of financial control. During the period of accounts the committee has met on 4 occasions and dealt with the many and complex financial implications of converting to academy status.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Mr M Booley	4	4
Mrs T Withers	4	4
Mr R Chapman	1	1
Mr J Hemes	4	4
Mr M Howkins	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 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 Cosby Primary School for the period ended 31 August 2013 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 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's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance 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 (as set purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- 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 the Local Authority as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy'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 Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

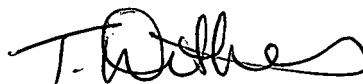
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body, 19 December 2013 and signed on their behalf, by:



Mr M Booley, Chair
Governor



Mrs T Withers, Head Teacher
Accounting officer

COSBY PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting officer of Cosby Primary School I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

A handwritten signature in black ink, appearing to read 'T. Withers', with a stylized flourish at the end.

Mrs T Withers, Head Teacher
Accounting officer

Date: 19 December 2013

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GOVERNORS' RESPONSIBILITIES STATEMENT

The trustees (who act as Governors of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' 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 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Academies Accounts Direction 2013. They are also responsible for safeguarding the assets of the Academy 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 Academy 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 Academy'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 Board of Governors and signed on its behalf by:



Mr M Booley, Chair
for and on behalf of the board of Governors
Date: 19 December 2013

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSBY PRIMARY SCHOOL

We have audited the financial statements of Cosby Primary School ("the Academy") for the period ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2013. Our audit work has been undertaken so that we might state to the Academy's members and trustees 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 Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as Governors of Cosby Primary School 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSBY PRIMARY SCHOOL

Matters on which we are required to report by exception

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

- adequate and proper accounting records have not been kept in respect of the Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.

BDO LLP

Nishit Bathia (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Leicester
United Kingdom

20 December 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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

In accordance with the terms of our engagement letter dated 30 April 2013 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 Cosby Primary School during the period 1 August 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Cosby Primary School's funding agreement with the Secretary of State for Education dated 01 August 2012 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 2013. 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 to 31 August 2013 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 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.

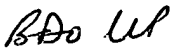
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

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


BDO LLP
Leicester
20 December 2013

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transfer on conversion	2	72,804	(267,000)	1,696,000	1,501,804
Other voluntary income	2	-	14,453	-	14,453
Activities for generating funds	3	22,508	-	-	22,508
Investment income	4	1,535	-	-	1,535
Incoming resources from charitable activities	5	-	998,352	-	998,352
TOTAL INCOMING RESOURCES		96,847	745,805	1,696,000	2,538,652
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs	3	16,588	-	-	16,588
Charitable activities	10	-	929,735	25,618	955,353
Governance costs	6	-	7,250	-	7,250
TOTAL RESOURCES EXPENDED	9	16,588	936,985	25,618	979,191
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		80,259	(191,180)	1,670,382	1,559,461
Transfers between Funds	20	(2,003)	(7,765)	9,768	-
NET INCOME FOR THE PERIOD		78,256	(198,945)	1,680,150	1,559,461
Actuarial gains and losses on defined benefit pension schemes		-	3,000	-	3,000
NET MOVEMENT IN FUNDS FOR THE PERIOD		78,256	(195,945)	1,680,150	1,562,461
Total funds at 1 August 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		78,256	(195,945)	1,680,150	1,562,461

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

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 20 to 37 form part of these financial statements.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08137451

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	16		1,680,150
CURRENT ASSETS			
Stocks	17	3,589	
Debtors	18	35,328	
Cash at bank		235,815	
		<u>274,732</u>	
CREDITORS: amounts falling due within one year	19	(114,421)	
NET CURRENT ASSETS			<u>160,311</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,840,461</u>
Defined benefit pension scheme liability	26		(278,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,562,461</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	20	82,055	
Restricted fixed asset funds	20	1,680,150	
		<u>1,762,205</u>	
Restricted funds excluding pension liability			
Pension reserve		(278,000)	
		<u>1,484,205</u>	
Total restricted funds			1,484,205
Unrestricted funds	20		<u>78,256</u>
TOTAL FUNDS			<u><u>1,562,461</u></u>

The financial statements were approved by the Governors, and authorised for issue, on and are signed on their behalf, by: 19 December 2013


.....
Mr M Booley, Chair


.....
Mrs T Withers, Head Teacher

The notes on pages 20 to 37 form part of these financial statements.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	13 months ended 31 August 2013 £
Net cash flow from operating activities	22	190,480
Returns on investments and servicing of finance	23	1,535
Capital expenditure and financial investment	23	(9,768)
INCREASE IN CASH IN THE PERIOD		182,247

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	13 months ended 31 August 2013 £
Increase in cash in the period	182,247
MOVEMENT IN NET FUNDS IN THE PERIOD	182,247
NET FUNDS AT 31 AUGUST 2013	182,247

The notes on pages 20 to 37 form part of these financial statements.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

The amounts disclosed in the Statement of Financial Activities and Cash Flow Statement and the supporting notes relate to the period from 1 August 2012 to 31 August 2013, i.e. a 13 month period.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the Academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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

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

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

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

Governance costs include the costs attributable to the Academy'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.

1.6 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 Academy to continue as a going concern.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are 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 are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

Long-term Leasehold Property has been transferred across upon conversion, at the market value determined as at that date. The valuation was completed by Andreas Hopkins (MRICS) of Leicestershire County Council on a depreciated replacement cost valuation.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 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.

1.11 Conversion to an academy trust

The conversion from a state 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 Cosby Primary 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 Cosby Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer on conversion	72,804	1,429,000	1,501,804
Donations	-	14,453	14,453
Voluntary income	<u>72,804</u>	<u>1,443,453</u>	<u>1,516,257</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Total funds 2013 £
Charity trading income		
Other trading	2,829	2,829
Childcare income	19,679	19,679
	<u>22,508</u>	<u>22,508</u>
Charity trading expenses		
Other trading costs	1,639	1,639
Childcare costs	14,949	14,949
	<u>16,588</u>	<u>16,588</u>
Net surplus from activities for generating funds	<u>5,920</u>	<u>5,920</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	<u>1,535</u>	<u>-</u>	<u>1,535</u>

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2013 £	Total funds 2013 £
Funding for the academy's educational operations	998,352	998,352

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA revenue grant		
General annual grant	968,396	968,396
Pupil premium	19,734	19,734
Capital grants	6,722	6,722
	994,852	994,852
Other government grants		
Other grants	3,500	3,500
	3,500	3,500
	998,352	998,352

6. GOVERNANCE COSTS

	Restricted funds 2013 £	Total funds 2013 £
Auditor's remuneration	6,100	6,100
Legal and professional fees	1,150	1,150
	7,250	7,250

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

7. DIRECT COSTS

	Funding for the academy's educational operations £	Total 2013 £
Net interest on Pension scheme liability (note 15)	11,000	11,000
Depreciation	25,618	25,618
Technology costs	2,375	2,375
Educational supplies	10,299	10,299
Staff development	3,668	3,668
Educational consultancy	1,752	1,752
Other direct costs	18,705	18,705
Wages and salaries	467,770	467,770
National insurance	37,404	37,404
Pension cost	63,575	63,575
	<u>642,166</u>	<u>642,166</u>

8. SUPPORT COSTS

	Funding for the academy's educational operations £	Total 2013 £
Recruitment and support	718	718
Maintenance of premises and equipment	9,747	9,747
Cleaning	2,233	2,233
Rent and rates	17,616	17,616
Energy costs	20,360	20,360
Insurance	22,402	22,402
Catering	12,787	12,787
Bank interest and charges	1,123	1,123
Other support costs	6,798	6,798
Wages and salaries	186,087	186,087
National insurance	4,353	4,353
Pension cost	28,963	28,963
	<u>313,187</u>	<u>313,187</u>

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Other costs 2013 £	Total 2013 £
Activities for generating funds	14,949	1,639	16,588
Costs of generating funds	14,949	1,639	16,588
Charitable activities:			
Funding for the academy's educational operations	788,152	167,201	955,353
Governance	-	7,250	7,250
	<u>803,101</u>	<u>176,090</u>	<u>979,191</u>

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Charitable activities - Funding for the academy's educational operations	642,166	313,187	955,353

11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	13 months ended 31 August 2013 £
Depreciation of tangible fixed assets: - owned by the charity	25,618
Auditor's remuneration	6,100

During the period, no Governors received any benefits in kind.
During the period, no Governors received any reimbursement of expenses.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

12. STAFF COSTS

Staff costs were as follows:

	13 months ended 31 August 2013 £
Wages and salaries	665,869
Social security costs	42,713
Other pension costs (Note 26)	94,518
	<hr/> 803,100 <hr/>

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

	13 months ended 31 August 2013 No.
Management	4
Teachers	9
Administration and support	14
	<hr/> 27 <hr/>

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

	13 months ended 31 August 2013 No.
In the band £60,001 - £70,000	<hr/> 1 <hr/>

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

13. GOVERNORS' REMUNERATION

During the period retirement benefits were accruing to 4 Governors in respect of defined benefit pension schemes.

Head Teacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	13 months ended 31 August 2013 £
Mrs T Withers, Head Teacher and Governor	60,000-65,000
Mrs R Woodland, Staff Governor	40,000-45,000
Miss C Holmes, Staff Governor	30,000-35,000
Mrs H Hobbs, Staff Governor	5,000-10,000

14. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2 million on any one claim and the cost for the period ended 31 August 2013 was £500.

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

15. NET INTEREST ON PENSION SCHEME LIABILITY

	13 months ended 31 August 2013 £
Expected return on pension scheme assets	10,000
Interest on pension scheme liabilities	(21,000)
	<hr style="border-top: 1px solid black;"/> (11,000) <hr style="border-top: 1px solid black;"/>

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

16. TANGIBLE FIXED ASSETS

	Long-term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	-	2,355	7,413	9,768
Transfer from Cosby Primary School	1,696,000	-	-	1,696,000
At 31 August 2013	1,696,000	2,355	7,413	1,705,768
Depreciation				
Charge for the period	23,929	347	1,342	25,618
At 31 August 2013	23,929	347	1,342	25,618
Net book value				
At 31 August 2013	1,672,071	2,008	6,071	1,680,150

17. STOCKS

	2013 £
Finished goods and goods for resale	3,589

18. DEBTORS

	2013 £
Trade debtors	190
Other debtors	11,130
Prepayments and accrued income	24,008
	35,328

**19. CREDITORS:
Amounts falling due within one year**

	2013 £
Bank overdrafts	53,568
Trade creditors	23,286
Social security and other taxes	12,644
Other creditors	10,710
Accruals and deferred income	14,213
	114,421

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	96,847	(16,588)	(2,003)	-	78,256
Restricted funds						
General Annual Grant (GAG)	-	968,395	(886,729)	(9,768)	-	71,898
Pupil premium	-	19,734	(21,737)	2,003	-	-
Capital grants	-	6,723	(2,304)	-	-	4,419
Other grants	-	3,500	-	-	-	3,500
Parental contributions	-	14,453	(12,215)	-	-	2,238
Pension reserve	-	(267,000)	(14,000)	-	3,000	(278,000)
	-	745,805	(936,985)	(7,765)	3,000	(195,945)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	-	1,696,000	(25,618)	9,768	-	1,680,150
Total restricted funds	-	2,441,805	(962,603)	2,003	3,000	1,484,205
Total of funds	-	2,538,652	(979,191)	-	3,000	1,562,461

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education in line with the funding agreement. 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 2013.

Pupil premium

Funds received for the purposes of providing additional support to pupils who receive free school meals.

Capital Grants

Funds received from various bodies for the purposes of capital and repairs works.

Other Grants

Funds generated in relation to other specific grants and income.

Parental Contributions

Funds generated from parents of students for use towards specific educational expenditure, e.g. trips.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

20. STATEMENT OF FUNDS (continued)

Transfers

Relates to the transfer of the purchase of fixed assets from the relevant fund where the income is received to the fixed asset fund.

There is also a transfer from unrestricted funds to the Pupil premium fund to cover the overspend on this fund.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	96,847	(16,588)	(2,003)	-	78,256
Restricted funds	-	745,805	(936,985)	(7,765)	3,000	(195,945)
Restricted fixed asset funds	-	1,696,000	(25,618)	9,768	-	1,680,150
	<u>-</u>	<u>2,538,652</u>	<u>(979,191)</u>	<u>-</u>	<u>3,000</u>	<u>1,562,461</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	1,680,150	1,680,150
Current assets	78,256	196,476	-	274,732
Creditors due within one year	-	(114,421)	-	(114,421)
Provisions for liabilities and charges	-	(278,000)	-	(278,000)
	<u>78,256</u>	<u>(195,945)</u>	<u>1,680,150</u>	<u>1,562,461</u>

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	13 months ended 31 August 2013 £
Net incoming resources before revaluations	1,559,461
Returns on investments and servicing of finance	(1,535)
Exceptional items - transfer upon conversion	(1,429,000)
Depreciation of tangible fixed assets	25,618
Increase in stocks	(3,589)
Increase in debtors	(35,329)
Increase in creditors	60,854
FRS 17 adjustments	14,000
Net cash inflow from operations	190,480

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	13 months ended 31 August 2013 £
Returns on investments and servicing of finance	
Interest received	1,535
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(9,768)

24. ANALYSIS OF CHANGES IN NET DEBT

	1 August 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	-	235,815	-	235,815
Bank overdraft	-	(53,568)	-	(53,568)
Net funds	-	182,247	-	182,247

COSBY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

25. CONVERSION TO AN ACADEMY TRUST

On 1 August 2012 Cosby Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cosby Primary School from Leicestershire County Council 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 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 statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,696,000	1,696,000
Budget surplus on LA funds	72,804	-	-	72,804
LGPS pension deficit	-	(267,000)	-	(267,000)
Net assets/(liabilities)	<u>72,804</u>	<u>(267,000)</u>	<u>1,696,000</u>	<u>1,501,804</u>

COSBY PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

26. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. 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 was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £10,710 were payable to the scheme at 31 August 2013 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

26. PENSION COMMITMENTS (continued)

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 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 and the implications for the Academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £39,000, of which employer's contributions totalled £30,000. The agreed contribution rates for future years are 21.2% for employers and 5.5 - 6.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy, 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the balance sheet are as follows:

	13 months ended 31 August 2013 £
Present value of funded obligations	(522,000)
Fair value of scheme assets	244,000
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Net liability	(278,000)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

26. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities are as follows:

	13 months ended 31 August 2013 £
Current service cost	(33,000)
Interest on obligation	(21,000)
Expected return on scheme assets	10,000
	<hr/>
Total	(44,000)
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Movements in the present value of the defined benefit obligation were as follows:

	13 months ended 31 August 2013 £
Opening defined benefit obligation	447,000
Current service cost	33,000
Interest cost	21,000
Contributions by scheme participants	9,000
Actuarial Losses	12,000
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Closing defined benefit obligation	522,000
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Movements in the fair value of the Academy's share of scheme assets:

	13 months ended 31 August 2013 £
Opening fair value of scheme assets	180,000
Expected return on assets	10,000
Actuarial gains and (losses)	15,000
Contributions by employer	30,000
Contributions by employees	9,000
	<hr/>
	244,000
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The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £3,000.

The Academy expects to contribute £31,000 to its defined benefit pension scheme in 2014.

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013
Equities	64.00 %
Bonds	26.00 %
Property	9.00 %
Cash	1.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %
Inflation assumption (CPI)	3.70 %

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

	2013
Retiring today	
Males	20.9 years
Females	23.3 years
Retiring in 20 years	
Males	23.3 years
Females	25.6 years

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013
	£
Defined benefit obligation	(522,000)
Scheme assets	244,000
Deficit	(278,000)
Experience adjustments on scheme liabilities	(12,000)
Experience adjustments on scheme assets	15,000