

Cottesbrooke Infant and Nursery School

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
17 months ended 31 August 2015**

Company Number 08936173



**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**

Cottesbrooke Infant and Nursery School

(A Company Limited by Guarantee)

**Report and financial statements
17 months ended 31 August 2015**

Contents	Page
Reference and administrative details	1
Trustees' report	2
Governance statement	8
Statement on regularity, propriety and compliance	11
Statement of Trustees' responsibilities	12
Independent Auditor's report on the financial statements	13
Independent Reporting Accountant's report on regularity	15
Statement of financial activities incorporating income & expenditure account	17
Balance sheet	18
Cash flow statement	19
Notes forming part of the financial statements, incorporating	
Statement of accounting policies	20
Other notes to the financial statements	24

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Keith Jones	(community trustee, chair person until 02/11/2015, appointed 12/03/14)
	William Loughlin	(head teacher, accounting officer, appointed 12/03/14)
	Amanda Millward	(community trustee, appointed 12/03/14)
	Richard Archer	(community trustee, appointed 12/03/14, resigned 14/01/2015)
	Sheila Halford	(community trustee, appointed 12/03/14)
Trustees	Richard Archer	* (community trustee, appointed 12/03/14 resigned 14/01/2015)
	Fiona Beardsley	(staff trustee, appointed 25/09/15)
	Suzanne Coles	(staff trustee, appointed 19/03/14)
	Alison Eventt	(staff trustee, appointed 01/04/15)
	Keith Fenwick	(parent trustee, vice chair (chair person from 02/11/2015), appointed 01/09/15)
	Maxine Gordon	(staff trustee, appointed 01/04/14, resigned 01/04/2015)
	Helen Hadley	(staff trustee, appointed 19/03/14, resigned 23/09/2014)
	Phil Halford	* (community trustee, appointed 01/04/14)
	Sheila Halford	* (community trustee, appointed 12/03/14)
	Keith Jones	* (community trustee, appointed 12/03/14)
	Sally Jones	(staff trustee, appointed 01/04/15)
	Irfan Khan	* (parent trustee, appointed 01/04/14)
	Shazia Khan	(parent trustee, appointed 29/06/15)
	Shazia Khan-Hussain	* (community trustee, appointed 01/04/14)
	Shahida Khanam	(parent trustee, appointed 01/04/14)
	William Loughlin	* (head teacher, accounting officer, appointed 12/03/14)
	Amanda Millward	* (community trustee, appointed 12/03/14)
	John O'Shea	* (community trustee, appointed 19/03/14)
	Ruth Waits	(community trustee, appointed 01/04/14)
* members of finance committee		
Senior management team	Head Teacher	William Loughlin
	Deputy Head Teacher	Fiona Beardsley
	Teacher	Susan Boobyer
	Teacher	Juliet Krouwel
	Teacher	Louise Smith
Company name	Cottesbrooke Infant and Nursery School	
Principal and registered office	William Loughlin Yardley Road Acocks Green Birmingham B1 2LS	
Company registration number	8936173	
Independent auditor	Fellons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	Lloyds Bank Plc 114-116 Colmore Row Birmingham B3 3BD	
Solicitors	Gateley Plc One Eleven Edmund Street Birmingham B3 2HJ	

Cottesbrooke Infant and Nursery School (A Company Limited by Guarantee)

Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 12 March 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged three to seven serving a catchment area in Acocks Green, Birmingham. It has a pupil capacity of 270 and 39 full time equivalent nursery class places and had a roll of 309 in the school census on 20th May 2015.

Conversion to academy trust

The company was incorporated at Companies House on 12th March 2014. The signed commercial transfer agreement was dated 28th March 2014 with an academy conversion date of 1st April 2014.

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 Trustees of Cottesbrooke Infant and Nursery School - An Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cottesbrooke Infant and Nursery School.

Details of the Trustees who served during the year 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.

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent Trustees are elected by the parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected.

The Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee is

- a person who lives or works in the community served by the Academy, or
- a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

Staff Trustees are elected by employees of the Academy Trust. At least one Staff Trustee will be a qualified teacher and at least one will be a member of the support staff. Staff are invited to apply to become a Trustee when a vacancy becomes available or at the end of the Trustee's term of office (four years).

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Trustees' report (continued)

Policies and procedures adopted for the induction and training of Trustees

The Governing Body has a Service Level Agreement with the School and Governor Support department of Birmingham City Council, to provide training, advice and support to the Governing Body

Newly elected Trustees attend Induction Training for new Trustees, and in addition select specific training provided by Trustee Support in accordance with their needs

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training

The Deputy Head Teacher/Vice Principal is the Leader for Professional Development in school, and he/she ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's Training Plan

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were

- Finance and Staffing
- Premises
- Curriculum
- Head Teacher Performance Management
- Appeals
- Disciplinary and Complaints
- Kids' Club

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Academy Trust's Financial Procedures

Decisions relating to Head Teacher Performance Management are reserved for the board of trustees

Related parties and other Connected Charities and Organisations

Trustees' related parties and other connected charities and organisations are all documented on their pecuniary interest forms and trustees have been made fully aware of their responsibilities regarding related party transactions. The pecuniary interest forms are reviewed to ensure sound governance and transparency. The Academy publishes its relevant business and pecuniary interest of local governors on its website

Objectives and activities

Objects and aims

The strategic goal of Cottesbrooke Infant and Nursery School is to provide a broad and balanced curriculum to all pupils in accordance with the Funding Agreement between the Academy Trust and the Department for Education

Our aim is to provide a Caring, Inspiring and Successful school. In doing so we will strive to develop positive life skills for everyone to enjoy taking an active and effective role in our changing world

Cottesbrooke Infant and Nursery School (A Company Limited by Guarantee)

Trustees' report (continued)

Objectives, strategies and activities

The school aims to maintain and improve upon its outstanding status, through

- raising pupil achievement and standards throughout the school
- increase the proportion of outstanding teaching in all year groups
- sustain and improve the standard of leadership and management across the school
- continue to improve the standard of attendance paying particular attention to persistent absentees

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit

Cottesbrooke Infant and Nursery School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation

Strategic report

Achievements and performance

Since becoming an academy, Cottesbrooke Infant and Nursery School has taken a wide range of steps to ensure that the education standards for all its children have continued to improve

The school has focussed on improvement linked to the school development plan to ensure impact on outcomes for children. These are,

To raise pupil achievement and standards across the school

- The school's Phonics Screening Check results were above national averages with disadvantaged children achieving particularly well. Children at the end of Early Years Foundation Stage achieve in line with national results from low attainment on entry. Children in KS1 made good progress from their starting points
- The school employs extra staff to provide targeted intervention for its children in maths, English and social/emotional needs. This is in addition to quality first wave teaching and is targeted for those children identified as not making the expected progress, as identified by regular pupil progress reviews, and those disadvantaged children that the school gains extra funding for via Pupil Premium
- Extra staffing is provided for children on the SEN register to target their needs specifically, either in small groups or on a one to one basis
- The school employs a sports coach to specifically target children's health and fitness throughout the school as part of the Sports Premium funding

To increase the proportion of outstanding teaching in all year groups

- The school is providing support for its staff through specific training identified through the appraisal process. Through thorough and regular monitoring and evaluation, areas for development are identified and teachers are supported to be good or outstanding practitioners. Money has been spent releasing teachers to work together through a process of peer observation, which is raising the quality of teaching in a cost-effective manner. The school invested in IT equipment known as the IRIS system to further raise the quality of teaching through self-evaluation and observing their own practice

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Trustees' report (continued)

Achievements and performance (continued)

To sustain and improve the standard of leadership and management across the school

- The senior leadership team has been revised and expanded. A substantive Deputy Head Teacher took up post from September 2014 and has focussed on teaching and learning throughout the school. The post of Inclusion Leader was brought in line with the EYFS and KS1 leaders. The post now includes the role of Designated Safeguarding Lead for the school and Single Point of Contact regarding the Prevent Strategy.
- The school has formed links and worked with a variety of other settings to improve practice and develop and support theirs.
- Teacher's performance management targets continue to be directly related to pupil progress.
- The quality of teaching and learning has been monitored through the use of a variety of strategies including scrutiny of work, observations, pupil progress reviews and learning walks and underperformance has been dealt with as appropriate.
- Teachers have been given the opportunity to learn from each other through peer review and the staff were able to analyse their own lessons using the IRIS filming equipment.
- Governors continue to meet and work with their staff subject leader buddies and completing the governors audit tool has given governors a clear insight into areas in which they need to improve.

To continue to improve the standard of attendance paying particular attention to persistent absentees

- The school has worked hard to improve overall attendance and the final attendance figure for 2014/15 was 95.13%. An increase from the 2013/14 figure of 94.37%.
- The figure for persistent absentees (children with attendance below 85%) is 4% (11 children) for the whole school and 3.3% in KS1 (6 children) compared to 5.56% (3.89% KS1) in 13/14.

Key performance indicators

- Direct costs as a percentage of total costs were 69.5%
- Support costs as a percentage of total costs were 29.7%
- Total payroll costs as a percentage of recurring income were 75.4%

Going concern

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

Financial review

The financial results of Cottesbrooke Infant and Nursery School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the period ended 31 August 2015 total resources expended were £2,446,573 and the surplus of income over expenditure was £1,992,525 which included depreciation of £100,341.

At 31 August 2015 the net book value of fixed assets was £2,741,282. The assets were used exclusively for providing the education and the associated support services to the pupils of Cottesbrooke Infant and Nursery school.

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Trustees' report (continued)

Reserves policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes. This will help to ensure the strategic aims and objectives of the Academy are achieved alongside giving the necessary provision for its long-term liabilities.

The deficit on the restricted pension fund of £1,392,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Treasury policy

Some surplus funds are to be invested with in savings accounts covered by the FSCS limit of £75,000. These investments are carried out in accordance with the powers vested in the Governing Body.

Plans for future periods

Priorities	What will this look like?
Strengthen involvement between the school, parents and community	<ul style="list-style-type: none"> Develop more opportunities to engage with parents Listen, respond and inform with timely and effective means of communication Strengthen engagement between the Infant and Junior school
Improve the quality of teaching and learning so that it is good or outstanding in all lessons	<ul style="list-style-type: none"> Greater proportion of outstanding lessons and outstanding elements in good lessons Develop staff confidence in sharing practice and self-reflection using systems such as IRIS to feed back Maintain and improve robust performance management
To ensure children make and exceed expected progress	<ul style="list-style-type: none"> All groups of children achieve including most able children and special educational needs/ disability Disadvantaged children perform as well as their peers Regularly monitor and evaluate pupil progress data to ascertain whether all students make rapid and sustained progress
School is well led and managed with all levels of leadership being effective including strong governance	<ul style="list-style-type: none"> Develop efficient and effective processes for the governing body to support and monitor the Leadership Team School leadership at all levels are confident in leading, monitoring and challenging Planned succession of governors and leadership
Continue strong financial management	<ul style="list-style-type: none"> Oversee, monitor and implement strong financial control Investigate and develop alternative funding streams
Develop and embed the curriculum	<ul style="list-style-type: none"> Provide a broad and balanced curriculum that is relevant to our children A focus on fundamental British values Spiritual, moral, social, cultural elements (SMSC) throughout the curriculum supporting social skills and a positive attitude to learning Meaningful and relevant homework
All children are safe and know how to keep themselves safe	<ul style="list-style-type: none"> Maintain and improve robust safeguarding procedures Embed protective behaviours into the curriculum No one feels like an outsider irrespective of gender, age, disability, race/nationality, religion, gender identity or sexual orientation Ongoing cycle of training relating to all areas of safeguarding, e.g. CSE, FGM, Prevent, safer recruitment

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Trustees' report (continued)

Principal risks and uncertainties

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters

Auditor

Insofar as the Trustees are aware

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on **7/12/15** 2015 and signed on its behalf by



Keith Fenwick - Chair of Governors

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Governance statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Cottesbrooke Infant and Nursery 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 board of trustees 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 Cottesbrooke Infant and Nursery School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Archer	2	4
Suz Coles	7	7
Alison Everitt	4	6
Keith Fenwick	6	7
Maxine Gordon	2	4
Helen Hadley	1	3
Phil Halford	7	7
Sheila Halford	7	7
Keith Jones	6	7
Sally Jones	6	7
Irfan Khan	6	7
Shazia Khan-Hussain	4	7
Shahida Khanam	4	7
William Loughlin	5	7
Amanda Millward	5	7
John O'Shea	5	7
Ruth Watts	4	7

A review of governance was undertaken during the period which found that the Governing Body should review its performance in a formal way and complete the Governors Audit Tool more regularly. The Academy was unaware of what training may be required by governors in order to properly fulfil their roles. Additionally, there was no code of practice/conduct in place that set out the expectation of and commitment required from governors to properly carry out the work of the Governing Body.

Subsequent to this the following actions were taken:

- Formal review of the Governing Body undertaken and discussed. Annual statement published on the school website.
- Following the annual skills audit a formal training/development plan for governors produced or updated.
- Formal code drawn up and agreed by the Governing Body.

The trust intends to conduct its next self-evaluation review in spring 2016.

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Governance statement (continued)

The finance committee is a sub-committee of the main board of trustees. Its purpose is to oversee and delegate (as appropriate) all areas of finance and staffing within the Academy. The board of trustees has formally met 7 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Archer	0	3
Phil Halford	5	7
Sheila Halford	1	1
Keith Jones	7	7
Irfan Khan	6	6
Shazia Khan-Hussain	4	7
William Loughlin	7	7
Amanda Millward	6	7
John O'Shea	4	7

Review of value for money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the period by:

- Improved procurement - Staff aware of 'Best Value' with regards to any procurement and encouraged to look at various suppliers to ensure they obtain the best price they can. This is evidenced by all staff signing Best Value Statements. The Head Teacher analyses orders made to have an overview of all purchasing to make sure that this is being followed and forms part of the Office Manager's performance management.
- Maximising income generation – The Academy does explore, where possible, any opportunities to generate additional income to supplement its EFA funding. This includes utilising the school's surplus budget to make investments in-line with our Treasury Management Policy and also the recharge of staff to other schools/organisations.
- Financial governance and oversight - Cottesbrooke Infant and Nursery School has governors of great experience, with a wide range of skills and qualifications. The Governing Body and Sub-Committees hold regular meetings to ensure strict governance over the school and aid the Head Teacher in the strategic planning for the school.

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 the Academy's 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 Cottesbrooke Infant and Nursery School for the period to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Governance statement (continued)

Capacity to Handle Risk

The board of trustees 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 board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have utilised an external company to provide an independent responsible officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

In particular the checks carried out in the current period included

- Purchasing - Purchase orders and invoices are being raised and authorised in an accurate and timely manner
- Bank - The Academies' bank is regularly reconciled and accurately reflected on the accounting system
- Staffing - Staff expenditure is in-line with projection and any variances investigated and explained

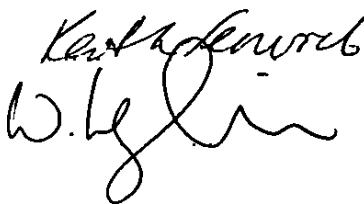
Review of Effectiveness

As Accounting Officer, Mr W Loughlin (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 work of the executive 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 Staffing Committee and plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7/12/15 and signed on its behalf by



Keith Fenwick - Chair of Governors

William Loughlin - Accounting Officer

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Statement on regularity, propriety and compliance

As accounting officer of Cottesbrooke Infant and Nursery 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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the EFA.



William Loughlin - Accounting Officer

7/12/15

Date

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Statement of Trustees' Responsibilities

The trustees (who act as governors of Cottesbrooke Infant and Nursery 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 2005,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 7/12/15 2015 and signed on its behalf by



Keith Fenwick - Chair of Governors

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Cottesbrooke Infant and Nursery School Academy

We have audited the financial statements of Cottesbrooke Infant and Nursery School (A Company Limited by Guarantee) for the period ended 31 August 2015 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 academy trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015, 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 in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Cottesbrooke
Infant and Nursery School Academy
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the trustees for the financial period 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

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



David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

8 December 2015

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Cottesbrooke Infant and Nursery School Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 February 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Cottesbrooke Infants and Nursery School Academy Trust during the period 12 March 2014 to 31 August 2015 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 Cottesbrooke Infants and Nursery School Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cottesbrooke Infants and Nursery 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 Cottesbrooke Infants and Nursery School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cottesbrooke Infant and Nursery School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cottesbrooke Infants and Nursery School Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 12 March 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

The work undertaken to draw our conclusion includes

- Consideration of the applicable legislation and the Academy Trust's Funding Agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Cottesbrooke Infant and Nursery School Academy and the Education Funding Agency (continued)

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 12 March 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

8 December 2015

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Statement of financial activities for the 17 months ended 31 August 2015
(including income and expenditure account and statement of total recognised gains and losses)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	152	-	-	-	152
Voluntary income - transfer from local authority on conversion	2	234,841	(1,105,000)	-	2,789,794	1,919,635
Activities for generating funds	3	130,260	-	-	-	130,260
Investment income	4	573	-	-	-	573
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	-	2,373,537	14,941	2,388,478
Total incoming resources		365,826	(1,105,000)	2,373,537	2,804,735	4,439,098
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
Academy's educational operations	7	92,722	40,000	2,192,878	100,341	2,425,941
Governance costs	8	-	-	11,491	-	11,491
<i>Other resources expended</i>						
Other costs on conversion		-	-	9,141	-	9,141
Total resources expended	6	92,722	40,000	2,213,510	100,341	2,446,573
Net incoming/(outgoing) resources before transfers		273,104	(1,145,000)	160,027	2,704,394	1,992,525
Gross transfers between funds	15	-	-	(36,888)	36,888	-
Net income/(expenditure) for the period		273,104	(1,145,000)	123,139	2,741,282	1,992,525
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(247,000)	-	-	(247,000)
Total funds carried forward at 31 August 2015		273,104	(1,392,000)	123,139	2,741,282	1,745,525

All of the Academy's activities were derived from acquisitions during the above financial period

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Company Number : 08936173

Balance sheet as at 31 August 2015

	Notes	2015 £	£
Fixed assets			
Tangible assets	12		2,741,282
Current assets			
Debtors	13	73,377	
Cash at bank and in hand		<u>550,336</u>	
		623,713	
Liabilities			
Creditors amounts falling due within one year	14	<u>227,470</u>	
Net current assets			396,243
Net assets excluding pension liability			<u>3,137,525</u>
Pension scheme liability	24		(1,392,000)
Net assets including pension liability			<u><u>1,745,525</u></u>
Funds of the academy trust .			
Restricted funds			
Fixed asset fund	15	2,741,282	
General fund	15	123,139	
Pension reserve	15	<u>(1,392,000)</u>	
Total restricted funds			1,472,421
Unrestricted income funds			
General fund	15		273,104
Total funds			<u><u>1,745,525</u></u>

The financial statements on pages 17 to 38 were approved by the trustees, and authorised for issue on 7/12/15 2015 and are signed on their behalf by



Keith Fenwick - Chair of Governors

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Cash flow statement for the 17 months ended 31 August 2015

	Notes	2015 £
Net cash inflow from operating activities	19	351,810
Returns on investments and servicing of finance	20	573
Capital expenditure	21	(36,888)
Cash transferred on conversion to academy trust	26	234,841
Net funds at 31 August 2015	22	<u>550,336</u>

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015

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 2014 to 2015 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 period for which it is receivable and any unspent amount is reflected as a balance in the restricted 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.

- **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.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

1. Statement of accounting policies (continued)

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Conversion to 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. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Cottesbrooke Infant School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted pension fund and restricted fixed asset funds. Further details of the transaction are set out in note 26.

Resources expended

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred in 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.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

The Academy acquired a number of assets from the predecessor school for which no payment was made. A notional donation of £2,789,794 has been recognised to represent their value at that date.

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

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer equipment	- 33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased assets

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

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 part 11, chapter 3 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.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

Pension 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 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 24, 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

These represent 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

These represent resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds

These comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

2. Voluntary income

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
Transfer from local authority					
- fixed assets	-	-	-	2,789,794	2,789,794
- budget surplus/(deficit) on LA funds	234,841	-	-	-	234,841
- pension deficit on conversion	-	(1,105,000)	-	-	(1,105,000)
	<u>234,841</u>	<u>(1,105,000)</u>	<u>-</u>	<u>2,789,794</u>	<u>1,919,635</u>
Other donations	152	-	-	-	152
	<u>234,993</u>	<u>(1,105,000)</u>	<u>-</u>	<u>2,789,794</u>	<u>1,919,787</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Catering income	432	-	432
Educational visits	8,968	-	8,968
Extended school	85,560	-	85,560
Miscellaneous	35,300	-	35,300
	<u>130,260</u>	<u>-</u>	<u>130,260</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	<u>573</u>	<u>-</u>	<u>573</u>

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2015 £
EFA revenue grants				
General Annual Grant (GAG)	-	1,754,026	-	1,754,026
Capital grants	-	-	14,941	14,941
Other EFA grants	-	272,439	-	272,439
	<u>-</u>	<u>2,026,465</u>	<u>14,941</u>	<u>2,041,406</u>
Other government grants				
Local authority grants	-	347,072	-	347,072
	<u>-</u>	<u>347,072</u>	<u>-</u>	<u>347,072</u>
	<u>-</u>	<u>2,373,537</u>	<u>14,941</u>	<u>2,388,478</u>

6. Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2015 £
Academy's educational operations				
Direct costs	1,554,488	80,943	65,063	1,700,494
Allocated support costs	<u>344,108</u>	<u>141,728</u>	<u>239,611</u>	<u>725,447</u>
	<u>1,898,596</u>	<u>222,671</u>	<u>304,674</u>	<u>2,425,941</u>
Governance costs including allocated support costs	-	-	11,491	11,491
Other costs on conversion	-	-	9,141	9,141
	<u>1,898,596</u>	<u>222,671</u>	<u>325,306</u>	<u>2,446,573</u>
Net incoming/(outgoing) resources for the period include				£
Operating leases		- plant and machinery		-
		- other		3,596
Fees payable to auditor		- audit		6,500
		- other services		<u>1,300</u>

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2015 £
Direct costs - educational operations				
Teaching and educational support staff	16,889	-	1,537,599	1,554,488
Depreciation	-	-	80,943	80,943
Technology costs	-	-	5,445	5,445
Educational supplies	7,676	-	37,037	44,713
Staff development	-	-	14,022	14,022
Educational consultancy	-	-	397	397
Other direct costs	-	-	486	486
	<u>24,565</u>	<u>-</u>	<u>1,675,929</u>	<u>1,700,494</u>
Allocated support costs - educational operations				
Support staff	62,460	40,000	241,648	344,108
Depreciation	-	-	19,398	19,398
Technology costs	-	-	35,129	35,129
Maintenance of premises and equipment	-	-	46,637	46,637
Cleaning	-	-	20,275	20,275
Rent and rates	-	-	13,210	13,210
Energy costs	-	-	22,249	22,249
Insurance	-	-	18,707	18,707
Security and transport	-	-	1,252	1,252
Catering	-	-	120,165	120,165
Bank interest and charges	-	-	64	64
Other support costs	5,697	-	78,556	84,253
	<u>68,157</u>	<u>40,000</u>	<u>617,290</u>	<u>725,447</u>
Total direct and support costs	<u>92,722</u>	<u>40,000</u>	<u>2,293,219</u>	<u>2,425,941</u>

8. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	3,691	3,691
Auditor's remuneration			
audit of financial statements	-	6,500	6,500
other audit costs	-	1,300	1,300
	<u>-</u>	<u>11,491</u>	<u>11,491</u>

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

9 Staff costs

a) Staff costs

	Total 2015 £
Staff costs during the period were	
Wages and salaries	1,420,398
Social security costs	89,350
Operating costs of defined benefit pension schemes	279,059
	<u>1,788,807</u>
Supply staff costs	100,289
Staff restructuring costs	9,500
	<u>1,898,596</u>

b) Staff severance payments

Staff restructuring costs is a payment of £9,500 to one individual

c) Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows

	2015 Number
Charitable activities	
Teachers	31
Administration and support	8
Management	2
	<u>41</u>

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits for the 17 month period was as follows

William Loughlin (principal and trustee)	
Remuneration	£75,000 - £80,000
Employer's pension contributions	£10,000 - £15,000
Maxine Gordon (staff trustee)	
Remuneration	£35,000 - £40,000
Employer's pension contributions	£5,000 - £10,000
Sally Jones (staff trustee)	
Remuneration	£25,000 - £30,000
Employer's pension contributions	£5,000 - £10,000

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

10 Related Party Transactions - Trustees' remuneration and expenses (continued)

Alison Everitt (staff trustee)	
Remuneration	£25,000 - £30,000
Employer's pension contributions	£nil - £5,000
Suzanne Coles (staff trustee)	
Remuneration	£25,000 - £30,000
Employer's pension contributions	£5,000 - £10,000

During the period ended 31 August 2015, no expenses were reimbursed or paid directly to trustees

11 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2015 was £703. The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Long leasehold property £	Fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
Assets transferred on conversion at valuation	2,758,830	17,354	13,610	2,789,794
Other additions at cost	-	35,280	16,549	51,829
At 31 August 2015	<u>2,758,830</u>	<u>52,634</u>	<u>30,159</u>	<u>2,841,623</u>
Depreciation				
Charge for the period	78,167	11,119	11,055	100,341
At 31 August 2015	<u>78,167</u>	<u>11,119</u>	<u>11,055</u>	<u>100,341</u>
Net book values				
At 31 August 2015	<u>2,680,663</u>	<u>41,515</u>	<u>19,104</u>	<u>2,741,282</u>

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

12 Tangible fixed assets (continued)

Leasehold property was valued at 1 April 2014 by The Valuation Office Agency – DVS and the fittings and equipment and computer equipment were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost for buildings, fittings and equipment and market value for land.

Cost or valuation at 31 August 2015 is represented by	Long leasehold property	Fittings and equipment	Computer equipment	Total
	£	£	£	£
Valuation in 2014	2,758,830	17,354	13,610	2,789,794
Cost	-	35,280	16,549	51,829
	<u>2,758,830</u>	<u>52,634</u>	<u>30,159</u>	<u>2,841,623</u>

The trust's acquisition relating to long leasehold property represents the premises transferred on conversion and valued at £2,758,830 subject to a 125 year lease from 1 April 2014.

13 Debtors

	Total 2015 £
Debtors from operations	17,045
VAT recoverable	6,828
Prepayments and accrued income	<u>49,504</u>
	<u>73,377</u>

14 Creditors

	Total 2015 £
Amounts falling due within one year	
Creditors from operations	31,216
Accruals and deferred income	148,329
Other creditors	<u>47,925</u>
	<u>227,470</u>
Deferred income	
Resources deferred in the year	<u>47,925</u>
Deferred income at 31 August 2015	<u>47,925</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

15 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds				
General Annual Grant (GAG)	1,754,026	(1,593,999)	(36,888)	123,139
Other EFA grants	272,439	(272,439)	-	-
LA (deficit) on conversion	-	-	-	-
Other government grants	347,072	(347,072)	-	-
	<u>2,373,537</u>	<u>(2,213,510)</u>	<u>(36,888)</u>	<u>123,139</u>
Restricted fixed asset funds				
Assets transferred on conversion	2,789,794	(89,511)	-	2,700,283
EFA capital grants	14,941	(7,056)	-	7,885
Capital expenditure from GAG	-	(3,774)	36,888	33,114
Local authority funding	-	-	-	-
	<u>2,804,735</u>	<u>(100,341)</u>	<u>36,888</u>	<u>2,741,282</u>
Restricted pension funds	<u>(1,105,000)</u>	<u>(40,000)</u>	<u>(247,000)</u>	<u>(1,392,000)</u>
Total restricted funds	<u>4,073,272</u>	<u>(2,353,851)</u>	<u>(247,000)</u>	<u>1,472,421</u>
Unrestricted funds				
Other income	365,826	(92,722)	-	273,104
Total unrestricted funds	<u>365,826</u>	<u>(92,722)</u>	<u>-</u>	<u>273,104</u>
Total funds	<u>4,439,098</u>	<u>(2,446,573)</u>	<u>(247,000)</u>	<u>1,745,525</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and Birmingham City Council

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 2015

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

16. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	2,741,282	2,741,282
Current assets	273,104	-	350,609	-	623,713
Current liabilities	-	-	(227,470)	-	(227,470)
	<u>273,104</u>	<u>-</u>	<u>123,139</u>	<u>2,741,282</u>	<u>3,137,525</u>
Pension scheme liability	-	(1,392,000)	-	-	(1,392,000)
Total net assets	<u>273,104</u>	<u>(1,392,000)</u>	<u>123,139</u>	<u>2,741,282</u>	<u>1,745,525</u>

17 Capital commitments

There were no capital commitments at 31 August 2015

18 Financial commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2015 £	Other 2015 £
Expiring within one year	-	2,697
	<u>-</u>	<u>2,697</u>

19 Reconciliation of net income to net cash inflow from operating activities

	Total 2015 £
Net income/(expenditure)	1,992,525
Depreciation (note 12)	100,341
Capital grants from EFA and other capital income	(14,941)
Cash transferred on conversion to academy trust (note 26)	(234,841)
Assets transferred on conversion to academy trust (note 26)	(2,789,794)
Interest receivable (note 4)	(573)
FRS 17 pension deficit on conversion (note 26)	1,105,000
FRS 17 pension cost less contributions payable (note 24)	106,000
FRS 17 pension finance income (note 24)	(66,000)
(Increase) in debtors	(73,377)
Increase in creditors	227,470
Net cash provided by / (used in) operating activities	<u>351,810</u>

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

	Total 2015 £
20 Returns on investments and servicing of finance	
Interest received	573
Net cash inflow from returns on investment and servicing of finance	<u>573</u>
21. Capital expenditure and financial investment	
Purchase of tangible fixed assets	(51,829)
Capital grants from EFA	14,941
Net cash (outflow) from capital expenditure and financial investment	<u>(36,888)</u>
22 Analysis of changes in net funds	
	Cash flows £
	At 31 August 2015 £
Cash at bank and in hand	<u>550,336</u>
	<u>550,336</u>

23 Member's 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

24 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 West Midlands Pension Fund Both are multi-employer 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 2012 and of the LGPS 31 March 2013

There were no outstanding or prepaid contributions at the end of the financial period

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £87,718.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £183,700, of which employer's contributions totalled £151,340 and employees' contributions totalled £32,360. The agreed contribution rates for future years for employees are between 5.5% to 8.5%.

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.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 22 years.

Principal actuarial assumptions

	At 31 August 2015
Rate of increase in salaries	4.15%
Rate of increase for pensions in payment / inflation	2.40%
Discount rate for scheme liabilities	4.00%
Inflation assumption (CPI)	2.40%
Commutation of pensions to lump sums	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	1,773	1,719	1,820	1,818
Projected service cost	121	117	125	124
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	1,773	1,829	1,728	1,729
Projected service cost	121	125	117	118

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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 2015
Retiring today	
Males	23 0
Females	25 6
Retiring in 20 years	
Males	25 2
Females	28 0

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £
Equities		229,000
Government bonds		28,000
Other bonds		38,000
Property		32,000
Cash		19,000
Other		35,000
Total market value of assets	6.40%	381,000
Present value of scheme liabilities		
- Funded		(1,773,000)
Surplus/(deficit) in the scheme		(1,392,000)

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual return on the Scheme assets was £30,000

	2015 £
Amounts recognised in the statement of financial activities	
Current service cost (net of employee contributions)	140,000
Past service cost	-
Total operating charge	140,000
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	(23,000)
Interest on pension liabilities	89,000
Pension finance income/(costs)	66,000

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £247,000 loss.

Movements in the present value of defined benefit obligations were as follows .	2015 £
At date of conversion	1,258,000
Current service cost	140,000
Interest cost	89,000
Employee contributions	32,000
Actuarial loss/(surplus)	254,000
Business combinations	-
At 31 August 2015	1,773,000

Movements in the fair value of academy's share of scheme assets were as follows	2015 £
At date of conversion	153,000
Expected return on assets	23,000
Actuarial surplus/(loss)	7,000
Employer contributions	166,000
Employee contributions	32,000
Business combinations	-
At 31 August 2015	381,000

Net pension scheme liability	(1,392,000)
-------------------------------------	--------------------

The estimated value of employer contributions for the year ended 31 August 2016 is £122,000.

The history of experience adjustments is as follows:

	2015 £
Present value of defined benefit obligations	(1,773,000)
Fair value of share of scheme assets	381,000
Deficit in the scheme	(1,392,000)
Experience adjustments on share of scheme assets (£)	7,000
Experience adjustments on scheme liabilities (£)	-

Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

25 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has 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.

26 Conversion to an academy trust

On 1 April 2014 Cottesbrooke Infant and Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cottesbrooke Infant and Nursery School from Birmingham City 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 as net income in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	2,758,830	2,758,830
Other tangible fixed assets	-	-	-	30,964	30,964
Budget surplus/(deficit) on LA funds	233,815	-	-	-	233,815
LGPS pension (deficit)	-	(1,105,000)	-	-	(1,105,000)
Other identified assets	1,026	-	-	-	1,026
Total net assets	234,841	(1,105,000)	-	2,789,794	1,919,635

**Cottesbrooke Infant and Nursery School
(A Company Limited by Guarantee)**

Notes to the financial statements for the 17 months ended 31 August 2015 (continued)

26 Conversion to an academy trust (continued)

The above net assets include £234,841 transferred as cash

The transfer agreement requires the company to run the academy known as Cottesbrooke Infant and Nursery School on the present site, transfers all property, undertakings, rights, assets whether tangible or intangible to the academy trust, and sets out the responsibilities of the academy with regards to the employees of the former local authority controlled school. The transfer included the lease of property for a period of 125 years