

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

| | |
|------------------|---|
| Governors | James Bowyer, Chair ^{1,2} Dora Alderson ² John Bass ¹ Massimo Bonaddio Paula Bradshaw (resigned 31 August 2018) ¹ Joanne Butler, Headteacher ^{1,2} Edward Carpenter ¹ Gareth Edmunds ² Andrew Ellis (resigned 31 August 2018) Jo Feather ² Sandra Fryer ¹ Claire Grocott ² Delroy Hibbert ² Lucy Hunt (appointed 14 December 2017) ^{1,2} Hannah Russell ² David Yorath ¹ David Brockington (resigned 4 July 2018) ² Jeremy Krause (resigned 1 August 2018) ² David Winter (resigned 4 July 2018) ^{1,2} |
|------------------|---|

¹ Finance, Premises and General Purposes Committee

² Learning and Wellbeing Committee

The Governors are all also Members of Cotham School. William Greenslade is also a Member but did not serve as a Governor during the year.

**Company registered
number**

07732888

Company name

Cotham School

**Principal and registered
office**

Cotham School
Cotham Lawn Road
Bristol
BS1 6DT

Company secretary

Leanne Sowersby

Accounting officer

Joanne Butler

**Senior Leadership
Team**

Joanne Butler, Headteacher
Domini Leong, Deputy Head KS3
Svetlana Bajic-Raymond, Deputy Head KS4
Chris Reed, Assistant Head KS4
Alison Goddard Jones, Teaching & Learning
Aimi Potter, Assistant Head P16
Eileen Quirke, Assistant Head
Allison Crossland, Business Manager (from 1 September 2018)
Suzanne Priest, Business Manager (to 15 July 2018)
Marian Curran, Director NBP16 (to 31 December 2017)

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

| | |
|-----------------------------|--|
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT |
| Bankers | Lloyds Bank 284 Wells Road Knowle Bristol BS4 2PY |
| Solicitors | Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS |

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Governors (who are governors under the Academies Act 2010, Trustees under the Charities Act 2011 and Directors under the Companies Act 2006), present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The Governing Body operates an academy for students aged 11 – 18 serving a catchment area in North Central Bristol. It has a student capacity of 1080 in years 7 – 11 and a roll of 1076, with an additional 380 students in Post 16, as per the school census on 17 May 2018.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Cotham School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Cotham School.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

b. 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.

c. GOVERNORS' INDEMNITIES

Subject to the provisions of the Companies Act 2006, the Governors of the School shall be indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties, the limit of this indemnity is £15,000,000.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The strategic management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association. When appointing new Governors, the board considers the skills and experience mix of existing Governors to ensure the Governing Body has the necessary skills to fully contribute to the school's development.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected provided that no Governor may serve more than three terms of office unless a resolution approving the arrangement is passed by the Forum. The Governors who were in office at 31 August 2018 and who served during the year are listed on page 1.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

When a new Governor is appointed a needs assessment is undertaken. The training and induction provided for each new Governor will be based on this assessment and may include training on educational, legal or financial matters. The Governing Body has access to funds to provide external training where necessary. All new Governors will be invited to meet with the Headteacher and Chair of Governors and given the opportunity to have a tour of the School, and to meet with staff and students. New Governors are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors, this is through the Governor Hub portal. As there is expected to be only a small number of new Governors in any one year, induction will be carried out informally and will be tailored specifically to the individual.

f. ORGANISATIONAL STRUCTURE

The management structure consists of three levels:

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

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for the strategic direction of the Academy, approving policy, adopting an annual plan and budget, monitoring the performance of the Academy and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Governing Body meets at least six three times per academic year to receive reports from its committees and manage its business.

There are three main committees:

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

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

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

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

The Headteacher is the Accounting Officer.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The key management personnel of Cotham School comprise the Governors and the Senior Leadership Team. Cotham School's policy is that no Governor is remunerated for their services as a Governor.

The school complies with the School Teachers Pay and Conditions and the National Joint Council Pay and conditions. The pay of the Senior Leadership Team is set in accordance with these policy documents. Once in post pay progression within is dependent upon satisfactory performance against objectives. Recommendations for pay progression, in accordance with the schools appraisal policy and pay policy are presented to the Remuneration Committee, which consists of the Chairs of the Governing Body Committees and the Chair of Governors, for ratification.

**GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

h. TRADE UNION FACILITY TIME

The Academy employed six employees who were relevant union officials during the year, representing five full time equivalent employees. All six of these employees spent between 1 and 50% of the time on facility time.

The total cost of facility time to the Academy was £3,929, being less than 0.1% of the total pay bill of £6.34m. The time spent on paid trade union activities was 100% of the total paid facility time hours.

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The North Bristol Post 16 Centre is managed in a federation with Redland Green School. The Centre enables a wide and diverse range of course choices and combinations across the two school sites. Enrichment activities such as student exchanges, visits, performing arts, maths & computing activities make a significant contribution to learners' enjoyment, achievement and wider personal development.

Cotham School is a Cooperative Academy and the Schools Cooperative Society (SCS) has the right to appoint a Governor. The SCS can nominate a person to fill the post of Governor and the Governing Body can confirm this appointment after carrying out due diligence with regards to safeguarding and external interests.

The land and buildings were transferred to the Academy from Bristol City Council who have the right to appoint a Governor.

There are no related parties which either control or significantly influence the decisions and operations of Cotham School. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

The principal object and activity of the charitable company is the operation of Cotham School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19.

The Governors confirm they have complied with the duty in Section 17(5) of the Charities Act 2011 and have due regard to the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning its future activities.

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

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

Leadership – To build on existing and develop new strategies to secure the main aims and objectives of the School.

The main aims and objectives of the School during the year ended 31 August 2018 are summarised below:

**GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

A. LEADERSHIP:

Build on existing and develop new strategies to secure:

- A1.** leadership capacity
- A2.** effective communication and stakeholder involvement
- A3.** further development to quality assurance mechanisms
- A4.** strengthened governance
- A5.** robust safeguarding procedures
- A6.** a targeted programme of teaching and associate staff induction and CPD with highly effective appraisal at all levels
- A7.** ensuring a full school (Yr7 and Post 16)

B. TEACHING, LEARNING AND ASSESSMENT

Build on existing and develop new strategies to secure:

- B1.** teaching, learning, assessment and feedback
- B2.** an aspirational curriculum that meets the needs of all students
- B3.** accurate assessment of quality of teaching
- B4.** excellent SEND/ EAL/ Most Able provision, meets the needs of all students

PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE

Build on existing and develop new strategies to secure:

- C1.** a coherent SMSC and British Values curriculum
- C2.** excellent student behaviour for learning
- C3.** excellent student attendance and punctuality
- C4.** outstanding student welfare, support and well-being
- C5.** highly effective CEIAG
- C6.** excellent student leadership systems

STUDENTS' OUTCOMES

Build on existing and develop new strategies to secure:

- D1.** excellent outcomes that exceed national expectations as the norm for all groups of students
- D2.** improved progress of targeted groups
- D3.** excellent understanding of standards through effective moderation of students' work
- D4.** excellent use of data to inform effective teaching and learning

RESOURCES

Build on existing and develop new strategies to secure:

- E1.** effective deployment of teaching and associate staff
- E2.** excellent site and facilities maintenance, development and best use of resources

b. ACHIEVEMENTS AND PERFORMANCE

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

OFSTED INSPECTION

In March 2018, the School was graded 'Good' in all categories, and we are especially delighted with the many incredibly positive observations made by the inspection team about our staff and students. Strong relationships between students and staff are valued features of Cotham and staff continue to strive to ensure the best possible school experience, achievement and outcomes for every student who studies here. Key messages from the report support the school's continued capacity for further improvement and are noted:

- Since her appointment in 2015, the headteacher has acted with great purpose to address the changing needs of the school. The school is responding well to the changing social context of the community which the school serves. The headteacher's vision and her focus on meeting the needs of all pupils have been at the heart of the school's transformation.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- The headteacher is successfully leading the school through a period of significant change. As a result of her vision and her skilful and determined leadership, the school is now steadily improving.
- Governors and school leaders have a strong commitment to serving the needs of their diverse community. They are determined to make sure that the needs of all their pupils are met so that all can maximise their potential.
- Pupils make good progress because teaching is typically good. Teachers are well-qualified subject specialists who make sure that they highlight key points and set appropriate work to reinforce them. They use questioning skilfully to make pupils think hard.
- Pupils who have SEN and/or disabilities receive the support they require to make good progress.
- Leaders and teachers put a strong emphasis on supporting pupils to improve their literacy skills. Leaders require almost all subjects to focus on literacy and provide stimulating opportunities for writing.
- The leadership of pupil premium is good. Pupils who need support are identified and appropriate help is put in place for them. Their progress is monitored and teachers and teaching assistants intervene if required. A significant proportion of disadvantaged pupils also speak English as an additional language. Leaders have ensured that these pupils are well supported by a knowledgeable and committed team. As a result of their work, these pupils are overcoming the barriers they face and are able to thrive in school.
- The behaviour of pupils is good. Pupils behave well around the school site. They enjoy coming to school and the atmosphere in the playground and in social areas is positive and friendly. Pupils are respectful and courteous to staff. They welcome those from different backgrounds or who hold different beliefs.
- Relationships between staff and pupils are good. Pupils are respectful when talking with adults and courteous to visitors.
- Pupils are keen to take part in lessons. They answer teachers' questions enthusiastically and they want to do their best. They are keen to respond to teachers' advice and correct and improve their work where they can.
- Leaders have ensured that the curriculum is appropriate for all pupils. They have insisted that the curriculum is designed to ensure that there is academic challenge for all pupils and that there are no 'soft options'. A very high proportion of pupils, including disadvantaged pupils, take a foreign language option in key stage 4. Pupils are given additional support to achieve success in these courses rather than being put on less demanding courses.
- Students in the sixth form make better progress with their A levels than students in other schools. They are achieving well across a broad range of subjects. They are also making better-than-average progress with English and mathematics GCSE courses they are retaking. Disadvantaged students are making similar progress to other students across the country.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of public examination outcomes for the academic year 2017/18:

Key Stage 4 results

The Progress 8 measure is the key measure used internally and by the Department for Education to show improvement across whole school cohorts. This measure at its current level is in line with the current national average.

| | 2016/17 | 2017/18 |
|--------------------------------------|----------------|----------------|
| Cohort | 213 | 213 |
| English and Maths at Grade 4+ | 71.0% | 74.2% |
| English and Maths at Grade 5+ | 58.0% | 54.0% |
| Ebacc at Grade 4+ | 33.0% | 39.4% |
| Ebacc at Grade 5+ | 32.0% | 22.1% |
| Attainment 8 | 49.01% | 50.90% |
| Progress 8 | -0.08 | 0.039 |

Post 16 (Key Stage 5) Outcomes 2017/18

A2 Summary of Results 2017/18: Cotham School and NBP16 Centre

| A2 LEVEL | NBP16 2014/15 | NBP16 2015/16 | NBP16 2016/17 | NBP16 2017/18 |
|----------|------------------|------------------|------------------|------------------|
| Students | 176 | 184 | 196 | 194 |
| A* - A | 27.0% | 23.0% | 26.0% | 15.2% |
| A* - B | 56.0% | 50.0% | 55.0% | 45.0% |
| A* - E | 98.3% | 97.0% | 99.0% | 97.0% |

| | |
|---------------------|-------|
| APS | 92.90 |
| A Level APE | 31.76 |
| Academic APE | 32.26 |
| Applied APE | 41.17 |

STRATEGIC REPORT

a. KEY PERFORMANCE INDICATORS AND FINANCIAL REVIEW

The main financial performance indicator is the level of revenue reserves (excluding pension reserve) held at the Balance Sheet date which at 31 August 2018 was £1,680,624 (31 August 2017: £1,665,245)

Funding based on student numbers is a key performance indicator. Student numbers for 2017/2018 were 1,456 with 1,076 students in Y7-11 and 380 in Post 16 (as per May 2018 census). The school has increased its Published Admission Number (PAN) for the academic year 2018/2019 with an intake of 243 students to Year 7 in Autumn 2018. This has provided a capacity of 1107 in the current academic year, and the number will continue to increase over the next 5 years as subsequent intakes to Year 7 will continue to be 243, rather than 216. This will lead to a capacity of 1215 students in years 7 - 11 in the 2022-23 academic year.

Other Key Performance Indicators are:

Staffing costs (excluding supply teachers) as a percentage of Government revenue income. For 2017/2018 this was 82.0% compared to 80.3% in 2016/2017.

Cash balances at year end: 2017/18 £2,268,408; 2016/17 £2,261,940

% of revenue income from Government funds: 2017/18 94%; 2016/17 94%.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Restricted General Fund

The majority of the Academy's income was received from the DfE through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities (SOFA) on page 26. General Restricted Fund income for the year was £7,910,610, expenditure against the fund was £8,222,698, giving a restricted revenue deficit for the year of £312,088 before transfers to the Restricted Fixed Asset Fund.

Unrestricted Funds

Income received into the Unrestricted Fund was £463,281. This was predominantly attributable to sales of school meals and letting of facilities. Expenditure against the fund was £292,845 for the year, giving an Unrestricted Fund surplus for the year of £170,436.

Restricted Fixed Asset Fund

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

Income received into the fund comprised Academies Devolved Formula Capital Funding of £31,416 and CIF funding of £667,611. The CIF funding is for the rebuild of Stoke Lodge Pavilion and has not yet been spent (see Plans for Future Periods on page 12). During the year capital investment included new computer equipment and a new student reception. This was funded by the Devolved Formula Capital grant and a transfer between the Restricted General Fund and the restricted Fixed Asset Fund.

The SOFA details a £17,463,592 Restricted Fixed Asset Fund carried forward balance after transfers between funds. This is detailed in note 17 to the accounts.

Balance Sheet

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

The net book value of the Academy's tangible fixed assets was £16,795,981 as at 31st August 2018. The movement in this account is detailed in note 13.

Cash in hand at 31st August 2018 was £2,268,408.

The Balance sheet includes a £3,350,000 defined benefit pension scheme liability in respect of the Local Government Pension Scheme as detailed in note 22.

The Reserves and Investment policies are detailed below:

The Academy's system of 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 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 guidelines including asset purchase and capital investment
- Delegation of authority and segregation of duties
- Identification and management of risks

The school uses Bristol City Council Assurance, Risk and Governance Department to perform additional checks on a rolling programme of internal audit.

**GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Their role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

Going forward from 2018/19 on a bi-termly basis a report will be made to the Board of trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Governors financial responsibilities

b. GOING CONCERN

After making appropriate enquiries and receiving reports, 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.

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the School. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas. Risks are mitigated by a system of internal controls based on Governor review of management information, governor approval of internal policies and financial regulations, seeking external advice on legal, financial and HR matters.

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the School. A comprehensive risk register has been established and is reviewed by the Senior Leadership Team on a regular basis.

The financial risks considered include: economic financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial statutory requirements. These are mitigated by internal controls including Governor review of 3 year plan, annual budget sign-off, Governor approval of all investment of surplus funds, purchasing policy included in Financial Regulations, consultation with ESFA and external auditor.

The deficit of the Local Government Pension Scheme (LGPS) defined benefit pension scheme for the associate staff is a liability of £3,350,000 (2017: £3,654,000 liability). On the balance sheet, this is offset by Academy's reserves.

c. RESERVES POLICY

The school reviews the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the school, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free reserves should be approximately £500,000 to £600,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide financial capacity to deal with unexpected emergencies that may occur such as emergency maintenance. Total reserves of the academy, excluding the pension deficit, amount to £19,144,216, although £17,463,592 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £1,680,624 (representing £938,846 unrestricted funds and £741,778 unspent GAG) is the balance that the governing body monitor in accordance with the Board's reserves policy. This represents 2.4 months of normal recurring expenditure.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Over the next year, brought forward reserves will be utilised to contribute towards a new school extension being built by Bristol City Council and the rebuild of Stoke Lodge Pavilion.

Total funds at 31 August 2018 are £19,144,216 comprising a balance on the Restricted Fixed Asset Fund of £17,463,592 which can only be realised by disposing of tangible fixed assets, a balance on the Unrestricted Fund of £938,846 and a balance on the Restricted General Fund of £741,778. There is also a deficit due to a LGPS pension fund deficit of £3,350,000 (2017: £3,654,000 deficit). This is a long term liability and is being reduced by employer annual deficit recovery payments. Whilst the pension deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the school

Excluding this pension deficit, the balance on the Restricted General fund plus the balance on the Unrestricted Fund at 31 August 2018 is £1,680,624 (2017: £1,665,245).

d. INVESTMENTS POLICY

All funds surplus to immediate requirements are invested to optimal effect. Due to the nature and timing of receipt of funding, the school may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional bank investment accounts to take advantage of higher interest rates.

The School has invested £200,000 in the Virgin Charity Account and £85,000 in Cambridge and Counties. £50,000 is held on a monthly money market fixed term deposit. All other funds have been held in the Academy current account in readiness for their utilisation as part of site improvement and development including new classroom space.

Principles

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

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

Purposes:

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

Guidelines:

Ethical Considerations:

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

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

FUNDRAISING

The school does not currently have a formal mechanism for fundraising, however a small amount of money has been raised during the year from its performing arts events that have centered around showcasing music and dance.

PLANS FOR FUTURE PERIODS

a. FUTURE DEVELOPMENTS

Cotham strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into continuing education or employment. Cotham School has a diverse student community, the development of skills, personal attributes, creativity, sense of purpose, ambition and belonging will continue to be at the heart of the curriculum.

Over the last two years, the Governors have been scoping the potential for the School to form or join a Multi-Academy Trust. The Governors have concluded through this scoping exercise that the current needs of the school and the learning community are best served by the school remaining as a stand alone Co-operative trust.

Following the favourable outcome of the review of the Town and Village Green application for the school playing fields, the school is now working to further develop the security of the site and through the awarding of the Government Grant Capital funding in 2017/2018, refurbish the existing changing facilities to benefit both the school and community sports clubs that use the fields.

Towards the end of the 15/16 academic year the school began discussions with the Local Authority (LA) to consider the potential to increase the schools Planned Admission Number to support the LA in addressing the shortfall in secondary school places in the City. Early in 2016 - 2017 it was formally agreed that the school admission number from year 7 will increase from 216 to 243 (9 form entry). For the School to be able to accommodate this expansion there has been an ongoing building project to expand the number of classrooms to 12 and to provide an additional dining space and meeting room. This has been achieved through working in partnership with the LA and is a jointly funded project with the school having approval from the Governors to contribute the sum of £757,677. This contribution was diverted from an earlier agreement made by the Governors to support the building of an additional classroom block as well as the All Weather Pitch.

Cotham has now welcomed its first intake of additional student numbers into year 7 from September 2018 with the new classroom block due to be completed in the spring of 2019.

Once the classroom extension is completed the school will complete the development with the installation of the All Weather Pitch.

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 12 December 2018 and signed on its behalf by:

**James Bowyer
Chair of Governors**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cotham School and the Secretary of State for Education. 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 Statement of Governors' responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| James Bowyer, Chair | 5 | 5 |
| Dora Alderson | 4 | 5 |
| John Bass | 4 | 5 |
| Massimo Bonaddio | 3 | 5 |
| Paula Bradshaw | 4 | 5 |
| Joanne Butler, Headteacher | 5 | 5 |
| Edward Carpenter | 4 | 5 |
| Gareth Edmunds | 3 | 5 |
| Andrew Ellis | 4 | 5 |
| Jo Feather | 4 | 5 |
| Sandra Fryer | 4 | 5 |
| Claire Grocott | 5 | 5 |
| Delroy Hibbert | 1 | 5 |
| Lucy Hunt | 2 | 3 |
| Hannah Russell | 3 | 5 |
| David Yorath | 3 | 5 |
| David Brockington | 2 | 5 |
| Jeremy Krause | 4 | 5 |
| David Winter | 3 | 5 |

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

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

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|--------------------------------------|-------------------|-------------------|
| Sandra Fryer (Chair FP&GP Committee) | 4 | 5 |
| James Bowyer (Chair) | 5 | 5 |
| Joanne Butler, Headteacher | 5 | 5 |
| John Bass | 4 | 5 |
| Lucy Hunt | 2 | 3 |
| Edward Carpenter | 4 | 5 |
| David Winter | 4 | 5 |
| David Yorath | 3 | 5 |

Governance Review

A review of governance was commissioned by the governors through the National Governors Association. This was commissioned as governance structures had not been externally reviewed since before the establishment of the academy in 2011. Governors understand that it is best practice to review their effectiveness on an annual basis.

The review consisted of a self-review workshop and the review of many of the school's key documents.

The review demonstrated that Governors have a broad and balanced skill set spread with only minor shortages. There are strong and trusting relationships between the Governors and the school. The Governors are able to keep in touch with the day to day operations of the school through the information contained in the weekly school newsletter. The Chair of the finance and premises committee is highly experienced and has an excellent understanding of the school financial management and budgetary position. There is evidence that the school is financially well managed.

Recommendations:

Governance Structures and Practices

Ensure information is available to provide clarity on who the members are, how they are appointed and what their role is. One of the recommendations was to review where possible the membership of the board in line with the trusts memorandum of articles with the aim of providing all trustees with a clear role and ensuring that the trustees are well represented from all areas of the school community.

Work collaboratively with Redland Green School to clarify the leadership and governance of the post-16 Centre; including the areas of line management, accountability and financial procedures.

Ensure all minutes contain the strategic priorities for students.

The vision, ethos and strategic direction

Review the vision, ethos and strategic direction of Cotham School and ensure that it is embedded across all areas of the organisation.

Ensure Governors gain a clear overview of performance data to ensure that all are able to gain a deeper insight into the school's performance. Establish a program of monitoring visits to enable Governors to become even more familiar with the school.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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.

GOVERNANCE STATEMENT (continued)

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

Delivering strong educational results for all learners with results meeting and exceeding national averages, and a particularly strong track record of delivering 'value added' or progress which is significantly above the national average.

- Collaboration with Redland Green School to provide a wide range of subjects at Post 16 which would not be cost effective for one school alone;
- Review of the schools Virtual Learning Environment which resulted in a move to a cloud based system thereby saving a significant annual cost;
- Cessation of the use of external tutors for intervention work, using instead staff appointed on a fixed term basis to undertake specific time limited projects;
- Comprehensive review of the curriculum to ensure subject and class size viability;
- Keeping our staffing structure and level of resource continually under review to balance the needs of providing excellent quality learning and teaching and the financial resources available. This includes taking a full review of the school's staffing structure during 2018 resulting in the rationalising of a number of posts from the structure and managing down staff numbers in certain areas of the school;
- Having in place robust governance and financial controls validated by excellent internal control for the past few years and running a generally balanced budget enabling secure levels of reserves to be maintained for future capital investment;
- Generating additional income through the increased use of school facilities by external hirers to increase income and this has been an expanding area of our activities over the past few years;
- Continual review and evaluation of the school budget to ensure resources are directed where they are most needed;
- Having robust procedures in place for placing of contracts and purchasing of goods and services to ensure best value for money. These include undertaking tendering exercises for major items of spending. In addition ensuring competitive pricing from suppliers by market testing and obtaining written quotations for any purchase in excess of £5,000.

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 Cotham School for the year 1 September 2017 to 31 August 2018 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 year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Premises and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme;
- 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.

We continue to use Bristol City Council for internal audit purposes.

At each Finance, Premises and General Purposes Committee meeting where an Internal audit has been required and taken place, the Business Manager presents the auditor's report on the operation of the systems of control and on the discharge of the board of Governors financial responsibilities.

All internal audit reports are subsequently reported to the Full Governing Body.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors and the work of the internal auditor;
- actions derived in the report from the review of governance performed by the National Governance Association;
- the work of the senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 12 December 2018 and signed on their behalf, by:

James Bowyer
Chair of Governors

Joanne Butler
Accounting Officer

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cotham School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 ESFA.

Joanne Butler
Accounting Officer

Date: 12 December 2018

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

**James Bowyer
Chair of Trustees**

Date: 12 December 2018

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COTHAM SCHOOL

OPINION

We have audited the financial statements of Cotham School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COTHAM SCHOOL

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the Academy 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COTHAM SCHOOL

USE OF OUR REPORT

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. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Butler FCA DChA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
18 December 2018

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COTHAM SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 April 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cotham School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cotham School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cotham School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cotham School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF COTHAM SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Cotham School's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. 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.

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COTHAM
SCHOOL AND THE EDUCATION & SKILLS 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Butler FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

18 December 2018

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

| | Note | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | - | 16,106 | 699,027 | 715,133 | 52,511 |
| Charitable activities | 3 | 387,328 | 7,894,504 | - | 8,281,832 | 8,469,548 |
| Other trading activities | 4 | 72,421 | - | - | 72,421 | 70,638 |
| Investments | 5 | 3,532 | - | - | 3,532 | 3,851 |
| TOTAL INCOME | | 463,281 | 7,910,610 | 699,027 | 9,072,918 | 8,596,548 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | 292,845 | 8,222,698 | 464,176 | 8,979,719 | 9,238,599 |
| TOTAL EXPENDITURE | 6 | 292,845 | 8,222,698 | 464,176 | 8,979,719 | 9,238,599 |
| NET BEFORE TRANSFERS | | 170,436 | (312,088) | 234,851 | 93,199 | (642,051) |
| Transfers between Funds | 17 | - | (133,969) | 133,969 | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | 170,436 | (446,057) | 368,820 | 93,199 | (642,051) |
| Actuarial gains on defined benefit pension schemes | 22 | - | 595,000 | - | 595,000 | 265,000 |
| NET MOVEMENT IN FUNDS | | 170,436 | 148,943 | 368,820 | 688,199 | (377,051) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 768,410 | (2,757,165) | 17,094,772 | 15,106,017 | 15,483,068 |
| TOTAL FUNDS CARRIED FORWARD | | 938,846 | (2,608,222) | 17,463,592 | 15,794,216 | 15,106,017 |

The notes on pages 28 to 48 form part of these financial statements.

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07732888

BALANCE SHEET
AS AT 31 AUGUST 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|---|------|-------------------|---------------------------------|-------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 16,795,981 | | 17,094,772 |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 6,926 | | 6,809 | |
| Debtors | 15 | 780,127 | | 214,865 | |
| Cash at bank and in hand | | 2,268,408 | | 2,261,940 | |
| | | | <u>3,055,461</u> | <u>2,483,614</u> | |
| CREDITORS: amounts falling due within one year | 16 | (707,226) | | (818,369) | |
| NET CURRENT ASSETS | | | <u>2,348,235</u> | | <u>1,665,245</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>19,144,216</u> | | <u>18,760,017</u> |
| Defined benefit pension scheme liability | 22 | | (3,350,000) | | (3,654,000) |
| NET ASSETS | | | <u><u>15,794,216</u></u> | | <u><u>15,106,017</u></u> |
| FUNDS OF THE ACADEMY TRUST | | | | | |
| Restricted funds: | | | | | |
| General funds | 17 | 741,778 | | 896,835 | |
| Fixed asset funds | 17 | 17,463,592 | | 17,094,772 | |
| | | | <u>18,205,370</u> | <u>17,991,607</u> | |
| Restricted funds excluding pension liability | | | | | |
| Pension reserve | | | (3,350,000) | (3,654,000) | |
| | | | <u></u> | <u></u> | |
| Total restricted funds | | | 14,855,370 | | 14,337,607 |
| Unrestricted funds | 17 | | 938,846 | | 768,410 |
| | | | <u></u> | <u></u> | |
| TOTAL FUNDS | | | <u><u>15,794,216</u></u> | | <u><u>15,106,017</u></u> |

The financial statements on pages 25 to 48 were approved by the Governors, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

James Bowyer
Chair of Governors

The notes on pages 28 to 48 form part of these financial statements.

**COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

| | Note | 2018 £ | 2017 £ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 19 | <u>(530,706)</u> | <u>90,290</u> |
| Cash flows from investing activities: | | | |
| Interest received | | 3,532 | 3,851 |
| Purchase of tangible fixed assets | | (165,385) | (178,939) |
| Capital grants from DfE Group | | <u>699,027</u> | <u>31,652</u> |
| Net cash provided by/(used in) investing activities | | <u>537,174</u> | <u>(143,436)</u> |
| Change in cash and cash equivalents in the year | | | |
| Cash and cash equivalents brought forward | | <u>2,261,940</u> | <u>2,315,086</u> |
| Cash and cash equivalents carried forward | 20 | <u><u>2,268,408</u></u> | <u><u>2,261,940</u></u> |

The notes on pages 28 to 48 form part of these financial statements.

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cotham School constitutes a public benefit entity as defined by FRS 102.

1.2 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. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions), where receipt is probable and it can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Donations are recognised on a receivable basis (where there are no performance related conditions), where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets, other than computer equipment, costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment. Computer Equipment costing £500 or more is 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

| | | |
|-------------------------|---|-------------------|
| Leasehold property | - | 2% straight line |
| Furniture and equipment | - | 10% straight line |
| Plant and equipment | - | 10% straight line |
| Motor vehicles | - | 20% straight line |
| Computer equipment | - | 20% 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.

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. The provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 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.

1.13 PENSIONS

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 26.

1.15 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 funders where the asset acquired or created is held for a specific purpose.

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

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|----------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | - | 16,106 | 16,106 | 20,858 |
| Capital Grants | - | 699,027 | 699,027 | 31,653 |
| | - | 715,133 | 715,133 | 52,511 |
| Total 2017 | - | 52,511 | 52,511 | |

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 7,393,899 | 7,393,899 | 7,597,837 |
| Other DfE/EFA grants | - | 425,840 | 425,840 | 419,121 |
| | - | 7,819,739 | 7,819,739 | 8,016,958 |
| Other government grants | | | | |
| Local authority grants | - | 25,602 | 25,602 | 41,452 |
| | - | 25,602 | 25,602 | 41,452 |
| Other funding | | | | |
| Internal catering income | 195,218 | - | 195,218 | 205,268 |
| Trips income | 148,020 | - | 148,020 | 101,778 |
| Other | 44,090 | 49,163 | 93,253 | 104,092 |
| | 387,328 | 49,163 | 436,491 | 411,138 |
| | 387,328 | 7,894,504 | 8,281,832 | 8,469,548 |
| Total 2017 | 368,251 | 8,101,297 | 8,469,548 | |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings | 72,421 | - | 72,421 | 70,638 |
| | <u>72,421</u> | <u>-</u> | <u>72,421</u> | <u>70,638</u> |
| Total 2017 | 70,638 | - | 70,638 | |
| | <u>70,638</u> | <u>-</u> | <u>70,638</u> | |

5. INVESTMENT INCOME

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 3,532 | - | 3,532 | 3,851 |
| | <u>3,532</u> | <u>-</u> | <u>3,532</u> | <u>3,851</u> |
| Total 2017 | 3,851 | - | 3,851 | |
| | <u>3,851</u> | <u>-</u> | <u>3,851</u> | |

6. EXPENDITURE

| | Staff costs 2018 £ | Premises 2018 £ | Other costs 2018 £ | Total 2018 £ | Total 2017 £ |
|---------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Education: | | | | | |
| Direct costs | 4,377,118 | 308,526 | 616,735 | 5,302,379 | 5,472,444 |
| Support costs | 2,341,123 | 776,384 | 559,833 | 3,677,340 | 3,766,155 |
| | <u>6,718,241</u> | <u>1,084,910</u> | <u>1,176,568</u> | <u>8,979,719</u> | <u>9,238,599</u> |
| Total 2017 | 6,838,632 | 1,022,033 | 1,377,934 | 9,238,599 | |
| | <u>6,838,632</u> | <u>1,022,033</u> | <u>1,377,934</u> | <u>9,238,599</u> | |

COTHAM SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

| | Total 2018 £ | Total 2017 £ |
|----------------------|-----------------------------|-----------------------------|
| Educational supplies | 173,542 | 208,001 |
| Examination fees | 143,539 | 154,891 |
| Staff development | 37,694 | 32,550 |
| Other costs | 261,960 | 244,047 |
| Supply teachers | 90,967 | 115,545 |
| Wages and salaries | 3,379,285 | 3,487,431 |
| National insurance | 351,003 | 362,347 |
| Pension cost | 555,863 | 574,469 |
| Depreciation | 308,526 | 293,163 |
| | <u>5,302,379</u> | <u>5,472,444</u> |
| | <u>5,302,379</u> | <u>5,472,444</u> |
| Total 2017 | <u>5,472,444</u> | |

8. SUPPORT COSTS

| | Total 2018 £ | Total 2017 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Pension finance costs | 96,000 | 80,000 |
| Recruitment and support | 25,934 | 38,676 |
| Maintenance of premises and equipment | 185,911 | 208,749 |
| Cleaning | 176,239 | 173,221 |
| Rent and rates | 59,668 | 65,199 |
| Energy costs | 134,827 | 130,003 |
| Insurance | 38,798 | 46,999 |
| Security and transport | 65,484 | 59,693 |
| Catering | 106,828 | 123,372 |
| Technology costs | 138,322 | 185,060 |
| Office overheads | 38,249 | 47,519 |
| Legal and professional | 96,146 | 132,305 |
| Bank interest and charges | 3,106 | 3,006 |
| Loss on disposal of fixed assets | 1,395 | - |
| Governance | 15,055 | 21,815 |
| Wages and salaries | 1,704,733 | 1,622,109 |
| National insurance | 128,213 | 126,890 |
| Pension cost | 508,177 | 549,841 |
| Depreciation | 154,255 | 151,698 |
| | <u>3,677,340</u> | <u>3,766,155</u> |
| | <u>3,677,340</u> | <u>3,766,155</u> |
| Total 2017 | <u>3,766,155</u> | |

COTHAM SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2018 | 2017 |
|---|----------------|--------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 462,781 | 444,861 |
| Auditors' remuneration - audit | 9,000 | 15,540 |
| Auditors' remuneration - other services | 2,000 | 1,150 |
| Operating lease rentals | 17,972 | 17,972 |
| | ===== | ===== |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

| | 2018 | 2017 |
|--|------------------|-----------|
| | £ | £ |
| Wages and salaries | 4,976,742 | 5,097,770 |
| Social security costs | 479,216 | 489,237 |
| Operating costs of defined benefit pension schemes | 1,064,040 | 1,124,310 |
| | 6,519,998 | 6,711,317 |
| Agency staff costs | 90,967 | 115,545 |
| Staff restructuring costs | 107,276 | 11,770 |
| | 6,718,241 | 6,838,632 |

Staff restructuring costs comprise:

| | | |
|---------------------|----------------|--------|
| Redundancy payments | 14,391 | - |
| Severance payments | 92,885 | 11,770 |
| | 107,276 | 11,770 |

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs above are non-statutory/non-contractual severance payments totalling £92,885 (2017: £11,770). Individually, the payments were: £10,460, £7,428, £6,129, £5,325, £5,037, £3,449 and £2,366 made in May 2018, £17,375 and £13,214 made in June 2018, and £12,299 and £9,803 made in September 2018 and accrued in these financial statements.

c. Staff numbers

The average number of persons employed by the Academy during the year was as follows:

| | 2018 | 2017 |
|----------------------------|-------------|------|
| | No. | No. |
| Teachers | 88 | 95 |
| Administration and Support | 89 | 88 |
| Management | 8 | 9 |
| | 185 | 192 |

Average headcount expressed as a full time equivalent:

| | 2018 | 2017 |
|----------------------------|-------------|------|
| | No. | No. |
| Teachers | 76 | 80 |
| Administration and Support | 64 | 65 |
| Management | 8 | 9 |
| | 148 | 154 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2018 | 2017 |
|--------------------------------|-------------|------|
| | No. | No. |
| In the band £60,001 - £70,000 | 2 | 1 |
| In the band £70,001 - £80,000 | 1 | 1 |
| In the band £80,001 - £90,000 | 0 | 1 |
| In the band £90,001 - £100,000 | 1 | 0 |

e. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive any remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £642,883 (2017: £654,798). This only includes the senior management team because staff governors do not receive remuneration for their role as key management personnel.

11. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

| | | 2018 | 2017 |
|-------------------------------|----------------------------|-----------------------|----------------|
| | | £ | £ |
| Joanne Butler, Headteacher | Remuneration | 95,000-100,000 | 95,000-100,000 |
| | Pension contributions paid | 15,000-20,000 | 15,000-20,000 |
| Andrew Ellis (staff governor) | Remuneration | 60,000-65,000 | 45,000-50,000 |
| | Pension contributions paid | 5,000-10,000 | 5,000-10,000 |
| Ed Carpenter (staff governor) | Remuneration | 30,000-35,000 | 30,000-35,000 |
| | Pension contributions paid | 0-5,000 | 0-5,000 |
| Claire Grocott | Remuneration | 0-5,000 | 0-5,000 |
| | Pension contributions paid | 0-5,000 | 0-5,000 |

During the year, no Governors received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £627 (2017: £171) were reimbursed to 3 Governors (2017: 2).

12. GOVERNORS' 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £114 (2017: £681).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

| | Long leasehold property £ | Furniture and equipment £ | Motor vehicles £ | Computer equipment £ | Assets under constr- uction £ | Total £ |
|-----------------------|------------------------------------|------------------------------------|------------------------|----------------------------|---|-------------------|
| COST | | | | | | |
| At 1 September 2017 | 17,925,978 | 312,411 | 10,840 | 1,042,295 | 17,448 | 19,308,972 |
| Additions | - | 40,162 | - | 125,223 | - | 165,385 |
| Disposals | - | (2,700) | - | - | - | (2,700) |
| | <u>17,925,978</u> | <u>349,873</u> | <u>10,840</u> | <u>1,167,518</u> | <u>17,448</u> | <u>19,471,657</u> |
| DEPRECIATION | | | | | | |
| At 1 September 2017 | 1,433,517 | 137,318 | 10,840 | 632,525 | - | 2,214,200 |
| Charge for the year | 286,950 | 33,110 | - | 142,721 | - | 462,781 |
| On disposals | - | (1,305) | - | - | - | (1,305) |
| | <u>1,720,467</u> | <u>169,123</u> | <u>10,840</u> | <u>775,246</u> | <u>-</u> | <u>2,675,676</u> |
| NET BOOK VALUE | | | | | | |
| At 31 August 2018 | <u>16,205,511</u> | <u>180,750</u> | <u>-</u> | <u>392,272</u> | <u>17,448</u> | <u>16,795,981</u> |
| At 31 August 2017 | <u>16,492,461</u> | <u>175,093</u> | <u>-</u> | <u>409,770</u> | <u>17,448</u> | <u>17,094,772</u> |

14. STOCKS

| | 2018 £ | 2017 £ |
|----------|--------------|--------------|
| Catering | 6,926 | 6,809 |
| | <u>6,926</u> | <u>6,809</u> |

15. DEBTORS

| | 2018 £ | 2017 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 10,964 | 5,499 |
| VAT recoverable | 80,582 | 66,283 |
| Other debtors | 12,864 | 5,839 |
| Prepayments and accrued income | 675,717 | 137,244 |
| | <u>780,127</u> | <u>214,865</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|--------------------------------------|----------------------------|---------------------|
| | £ | £ |
| Trade creditors | 371,953 | 282,754 |
| Other taxation and social security | 114,267 | 125,702 |
| Other creditors | 106,789 | 263,426 |
| Accruals and deferred income | 114,217 | 146,487 |
| | <hr/> 707,226 <hr/> | <hr/> 818,369 <hr/> |
| | 2018 | 2017 |
| | £ | £ |
| DEFERRED INCOME | | |
| Deferred income at 1 September 2017 | 63,981 | 45,680 |
| Resources deferred during the year | 48,894 | 63,981 |
| Amounts released from previous years | (63,981) | (45,680) |
| | <hr/> 48,894 <hr/> | <hr/> 63,981 <hr/> |

COTHAM SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|--|---|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General funds | 768,410 | 463,281 | (292,845) | - | - | 938,846 |
| RESTRICTED FUNDS | | | | | | |
| General Annual Grant (GAG) | (314,753) | 7,393,899 | (7,321,604) | 984,236 | - | 741,778 |
| Pupil Premium | 403,319 | 356,652 | (436,913) | (323,058) | - | - |
| Other DfE/ESFA Grants | 168,435 | 69,188 | (77,341) | (160,282) | - | - |
| Other Government Grants | 457,911 | 25,602 | (46,761) | (436,752) | - | - |
| Other trading activities | 181,923 | 65,269 | (49,079) | (198,113) | - | - |
| Pension reserve | (3,654,000) | - | (291,000) | - | 595,000 | (3,350,000) |
| | <u>(2,757,165)</u> | <u>7,910,610</u> | <u>(8,222,698)</u> | <u>(133,969)</u> | <u>595,000</u> | <u>(2,608,222)</u> |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | 16,475,213 | - | (295,736) | - | - | 16,179,477 |
| Fixed assets purchased from GAG and other restricted funds | 401,325 | - | (105,900) | 121,667 | - | 417,092 |
| DfE/ESFA Capital grants | 156,084 | 699,027 | (28,371) | 3,752 | - | 830,492 |
| Local Authority Grants | 62,150 | - | (34,169) | 8,550 | - | 36,531 |
| | <u>17,094,772</u> | <u>699,027</u> | <u>(464,176)</u> | <u>133,969</u> | <u>-</u> | <u>17,463,592</u> |
| Total restricted funds | <u>14,337,607</u> | <u>8,609,637</u> | <u>(8,686,874)</u> | <u>-</u> | <u>595,000</u> | <u>14,855,370</u> |
| Total of funds | <u><u>15,106,017</u></u> | <u><u>9,072,918</u></u> | <u><u>(8,979,719)</u></u> | <u><u>-</u></u> | <u><u>595,000</u></u> | <u><u>15,794,216</u></u> |

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

General Annual Grant (GAG) is the main grant receivable from the Education and Skills Funding Agency (ESFA) and is used for the Academy's normal running costs. Under the Funding Agreement with the Secretary of State, GAG funding is restricted for use only on the Academy's educational operations. Pupil Premium funding is additional funding from the ESFA to raise the attainment of disadvantaged pupils.

Other grants include funding for statemented support and Year 7 Catch Up funding. This income is restricted based on the requirements of the specific grant arrangements. The pension fund also sits in restricted funds, further details can be found in note 21. These are restricted as these resources were provided with specific restrictions imposed by the funder or donor.

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

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

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17. STATEMENT OF FUNDS (continued)

The transfer of £133,969 (2017: £185,785) between the restricted funds and the restricted fixed asset fund represents the value of fixed assets not funded by capital income, with the shortfall being funded by a transfer from the restricted fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|--|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| GENERAL FUNDS | | | | | | |
| General funds | 613,964 | 297,527 | (143,081) | - | - | 768,410 |
| RESTRICTED FUNDS | | | | | | |
| General Annual Grant (GAG) | 4,775 | 7,597,837 | (7,735,180) | (182,185) | - | (314,753) |
| Pupil Premium | 352,826 | 348,260 | (297,767) | - | - | 403,319 |
| Other DfE/ESFA Grants | 148,464 | 74,461 | (50,890) | (3,600) | - | 168,435 |
| Other Government Grants | 454,951 | 41,452 | (38,492) | - | - | 457,911 |
| Other trading activities | 173,891 | 205,358 | (197,326) | - | - | 181,923 |
| Pension reserve | (3,588,000) | - | (331,000) | - | 265,000 | (3,654,000) |
| | <u>(2,453,093)</u> | <u>8,267,368</u> | <u>(8,650,655)</u> | <u>(185,785)</u> | <u>265,000</u> | <u>(2,757,165)</u> |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | 16,771,289 | - | (296,076) | - | - | 16,475,213 |
| Fixed assets purchased from GAG and other restricted funds | 299,332 | - | (80,192) | 182,185 | - | 401,325 |
| DfE/ESFA Capital grants | 144,558 | 31,652 | (23,726) | 3,600 | - | 156,084 |
| Local Authority Grants | 107,018 | - | (44,868) | - | - | 62,150 |
| | <u>17,322,197</u> | <u>31,652</u> | <u>(444,862)</u> | <u>185,785</u> | <u>-</u> | <u>17,094,772</u> |
| Total restricted funds | <u>14,869,104</u> | <u>8,299,020</u> | <u>(9,095,517)</u> | <u>-</u> | <u>265,000</u> | <u>14,337,607</u> |
| Total of funds | <u><u>15,483,068</u></u> | <u><u>8,596,547</u></u> | <u><u>(9,238,598)</u></u> | <u><u>-</u></u> | <u><u>265,000</u></u> | <u><u>15,106,017</u></u> |

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Total funds 2018 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 16,795,981 | 16,795,981 |
| Current assets | 938,846 | 1,449,004 | 667,611 | 3,055,461 |
| Creditors due within one year | - | (707,226) | - | (707,226) |
| Provisions for liabilities and charges | - | (3,350,000) | - | (3,350,000) |
| | <u>938,846</u> | <u>(2,608,222)</u> | <u>17,463,592</u> | <u>15,794,216</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 17,094,772 | 17,094,772 |
| Current assets | 768,410 | 1,715,204 | - | 2,483,614 |
| Creditors due within one year | - | (818,369) | - | (818,369) |
| Provisions for liabilities and charges | - | (3,654,000) | - | (3,654,000) |
| | <u>768,410</u> | <u>(2,757,165)</u> | <u>17,094,772</u> | <u>15,106,017</u> |

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2018 £ | 2017 £ |
|--|------------------|---------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 93,199 | (642,051) |
| Adjustment for: | | |
| Depreciation charges | 462,781 | 444,862 |
| Interest received | (3,532) | (3,851) |
| Loss on the sale of fixed assets | 1,395 | - |
| Increase in stocks | (117) | (1,684) |
| (Increase)/decrease in debtors | (565,262) | 31,083 |
| Decrease in creditors | (111,143) | (37,417) |
| Capital grants from DfE and other capital income | (699,027) | (31,652) |
| Defined benefit pension scheme cost less contributions payable | 195,000 | 251,000 |
| Defined benefit pension scheme finance cost | 96,000 | 80,000 |
| Net cash (used in)/provided by operating activities | <u>(530,706)</u> | <u>90,290</u> |

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2018 £ | 2017 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 2,268,408 | 2,261,940 |
| | <u>2,268,408</u> | <u>2,261,940</u> |

21. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

| | 2018 £ | 2017 £ |
|---|----------------|-----------|
| Contracted for but not provided in these financial statements | 482,158 | - |
| | <u>482,158</u> | <u>-</u> |

22. 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 Bath and North East Somerset County Council and advised by Mercer. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £NIL were payable to the schemes at 31 August 2018 (2017: £104,733) and are included within creditors.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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.
- 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 TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £551,000 (2017: £572,735).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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.

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 year ended 31 August 2018 was £470,000 (£390,000) of which employer's contributions totalled £372,000 (2017: £293,000) and employees' contributions totalled £98,000 (2017: £97,000). The agreed contribution rates for future years are 14.2% for employers and 5.5 - 8.5% for employees.

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.

Principal actuarial assumptions:

| | 2018 | 2017 |
|--|----------------|---------|
| Discount rate for scheme liabilities | 2.80 % | 2.50 % |
| Rate of increase in salaries | 3.60 % | 3.70 % |
| Rate of increase for pensions in payment / inflation | 2.20 % | 2.20 % |
| Inflation assumption (CPI) | 2.10 % | 2.20 % |
| Commutation of pensions to lump sums | 50.00 % | 50.00 % |

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22. PENSION COMMITMENTS (continued)

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

| | 2018 | 2017 |
|----------------------|-------------------|------------|
| Retiring today | | |
| Males | 23.6 years | 23.5 years |
| Females | 26.1 years | 26.0 years |
| Retiring in 20 years | | |
| Males | 26.2 years | 26.0 years |
| Females | 28.8 years | 28.7 years |

| Sensitivity analysis | At 31 August 2018 | At 31 August 2017 |
|--|------------------------------|----------------------|
| | £ | £ |
| Discount rate +0.1% | (155) | (146) |
| Mortality assumption - 1 year increase | 115 | 115 |
| CPI rate +0.1% | 155 | 155 |

The above shows the impact on the present value of the defined benefit obligation if changes were made to the assumptions used.

The Academy's share of the assets in the scheme was:

| | Fair value at 31 August 2018 | Fair value at 31 August 2017 |
|------------------------------|---|------------------------------------|
| | £ | £ |
| Equities | 1,250,000 | 1,311,000 |
| Government Bonds | 370,000 | 297,000 |
| Other Bonds | 392,000 | 204,000 |
| Property | 297,000 | 233,000 |
| Cash and other liquid assets | 121,000 | 95,000 |
| Other | 759,000 | 509,000 |
| Total market value of assets | 3,189,000 | 2,649,000 |

The actual return on scheme assets was £135,000 (2017: £200,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2018 | 2017 |
|----------------------|------------------|-----------|
| | £ | £ |
| Current service cost | (567,000) | (544,000) |
| Interest income | 63,000 | 39,000 |
| Interest cost | (159,000) | (119,000) |
| Total | (663,000) | (624,000) |

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22. PENSION COMMITMENTS (continued)

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

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 6,303,000 | 5,661,000 |
| Current service cost | 567,000 | 544,000 |
| Interest cost | 159,000 | 119,000 |
| Employee contributions | 98,000 | 97,000 |
| Actuarial (gains) / losses | (531,000) | (96,000) |
| Benefits paid | (57,000) | (22,000) |
| | <u>6,539,000</u> | <u>6,303,000</u> |
| Closing defined benefit obligation | <u>6,539,000</u> | <u>6,303,000</u> |

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

| | 2018 £ | 2017 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 2,649,000 | 2,073,000 |
| Interest income | 71,000 | 47,000 |
| Actuarial losses | 64,000 | 169,000 |
| Employer contributions | 372,000 | 293,000 |
| Employee contributions | 98,000 | 97,000 |
| Benefits paid | (57,000) | (22,000) |
| Administration expenses | (8,000) | (8,000) |
| | <u>3,189,000</u> | <u>2,649,000</u> |
| Closing fair value of scheme assets | <u>3,189,000</u> | <u>2,649,000</u> |

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2018 £ | 2017 £ |
|-------------------------|---------------|---------------|
| AMOUNTS PAYABLE: | | |
| Within 1 year | 19,543 | 17,972 |
| Between 1 and 5 years | 46,640 | 2,607 |
| After more than 5 years | 552 | - |
| | <u>66,735</u> | <u>20,579</u> |
| Total | <u>66,735</u> | <u>20,579</u> |

24. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

26. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £36,521 and disbursed £42,602 from the fund. An amount of £42,352 is included in other creditors relating to undistributed funds that is otherwise repayable to the ESFA.