



COTHAM SCHOOL
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2016

Company Registration Number:
07732888 (England and Wales)

	Page
Reference and Administrative Details	1
Governors' Report	3
Governance Statement	15
Statement on Regularity, Propriety and Compliance	19
Statement of Governors' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Statement of Financial Activities incorporating Income & Expenditure Account	23
Balance Sheet	24
Statement of Cashflows	25
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	26
Other Notes to the Financial Statements	32

Cotham School

Reference and Administrative Details

For the year ended 31 August 2016

Governors (Trustees) (NB all Governors are Directors and Members of Cotham School)	Jim Bowyer *	(Chair)
	Dora Alderson	(Chair of Personnel and Training Committee)
	John Bass	(from 16/03/2016)
	Paula Bradshaw*	(from 18/12/2015)
	Dave Brockington	
	Ed Carpenter *	
	Andrew Ellis	
	Jo Feather	
	Sandra Fryer*	(Chair of Finance, Premises and General Purposes Committee)
	Helen Gordon	(until 14/07/2016)
	Claire Grocott	(Chair of Learning and Wellbeing Committee)
	Delroy Hibbert	(from 27/01/2016)
	Jeremy Krause	(Chair of Appointments and Standards Committee)
	Sujitha Subramanian	(until 03/02/2016)
	Joanne Butler	(Headteacher and Accounting Officer from 01 September 2015)
	David Winter	(Chair of Audit Committee)
	David Yorath *	
Member	William Greenslade	Did not serve as a Governor during the reporting period but has been a Member since 01/09/2011

* Member of the Finance, Premises and General Purposes Committee

Company Secretary	Leanne Sowersby
Internal Auditor	Bristol City Council Internal Audit Service

Senior Management Team

Headteacher	Joanne Butler	(from 01 September 2015)
Deputy Head KS3	Christine Ansell	(retired 31/08/2016)
Deputy Head KS4	Svetlana Bajic-Raymond	
Director NBP16	Marian Curran	
Assistant Head KS4	John Heayberd	(retired 31/08/2016)
Assistant Head KS3	Caroline Francis	
Assistant Head Teaching & Learning	Alison Goddard Jones	(From 23/11/2015)
Assistant Head P16	Aimi Bisco	
Business Manager	Mel Sperring	

Cotham School

Reference and Administrative Details
For the year ended 31 August 2016

Principal and Registered Office

Cotham School
Cotham Lawn Road
Bristol
BS6 6DT

Company Registration Number

07732888 (England and Wales)

Independent Auditor

RSM UK Audit LLP
Hartwell House
55 – 61 Victoria Street
Bristol
BS1 6AD

Bankers

Lloyds Bank
284 Wells Road
Knowle
Bristol
BS4 2PY

Solicitors

Veale Wasborough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Cotham School

Report of the Governors

For the year ended 31 August 2016

The Governors (who are Governors under the Academies Act 2010, Trustees under the Charities Act 2011 and Directors under the Companies Act 2006), present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Governing Body operates an academy for students aged 11 – 18 serving a catchment area in North Central Bristol. It has a student capacity of 1080 in years 7 – 11 and a roll of 1075, with an additional 430 students in Post 16 as per the school census in October 2015.

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

Structure, Governance and Management

Constitution

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

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

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

Subject to the provisions of the Companies Act 2006, the Governors (Directors) of the School shall be indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties, the limit of this indemnity is £5,000,000.

Method of Recruitment and Appointment or Election of Governors

The strategic management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Memorandum and Articles of Association. When appointing new Governors, the boards considers the skills and experience mix of existing Governors to ensure the governing Body has the necessary skills to fully contribute to the schools 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 2016 and who served during the year are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Governors

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

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

is expected to be only a small number of new Governors in any one year, induction will be carried out informally and will be tailored specifically to the individual.

Organisational Structure

The management structure consists of three levels:

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

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 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 six 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 six times per year to review human resources issues including the staffing structure, professional development, and policy.

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

The Governing Body chose not to appoint an Audit Committee for the 2015 – 2016 academic year, however appointed a Chair for such a Committee in the event that it was considered appropriate to re-instate an audit committee during the year.

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.

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.

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

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

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.

Objectives and Activities

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

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

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

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

The main aims and objectives of the School during the year ended 31 August 2016 are summarised below:

Leadership – To build on existing and develop new strategies to secure:

- Improved leadership capacity at all levels
 - A review of Leadership and Management capacity at all levels of the organisation has been conducted to ensure internal and external challenges can be met
 - A robust induction programme is in place for new leaders
 - Leaders at all levels are informed, consistent and developing their skills through effective line management, forums and training programmes.
 - 'Leaders of Teaching' have been appointed to drive through improvements to teaching and learning from the ground up.
 - Effective communication
 - A communications Policy is in place.
 - weekly mailing home
 - Continued development of quality assurance methods
 - SEF has been revisited to ensure robust and effective procedures are in place.
 - School Consultative Structures and mechanisms for Professional Development have been reviewed for effectiveness.
-

- PM policy and procedures reviewed
- Robust safeguarding procedure
 - Effective leadership and management has ensured that safeguarding arrangements to protect children and young people meet all statutory and other government requirements, promote their welfare and prevent radicalisation and extremism.
 - An anti-radicalisation policy is in place, clearly communicated to all stakeholders.
 - Robust Safeguarding policies, systems and practices are embedded
- A targeted programme of teaching and associate staff CPD with highly effective appraisal at all levels
 - Appraisal ensures accountability and delivers impact
 - A robust CPD programme for both teaching and associate staff is improving succession planning and impacting positively on school improvement priorities.
 - Teachers CPD is informed by published whole school teaching and learning priorities and strategy

Teaching, Learning and Assessment – Build on existing and develop new strategies to secure:

- A Cotham learning and learner identity
 - Mindset/‘Learning Dispositions’- a Cotham ‘Learning Identity’ is being created
 - Evidence demonstrates that students are enjoying the challenge of learning and are becoming more resilient to failure.
 - Students are becoming more curious, interested learners who seek out and use new information to develop, consolidate and deepen their knowledge, understanding and skills.
- An aspirational curriculum which meets the needs of all students
 - The curriculum incorporates appropriate pedagogy and assessment for the demands of new qualifications
 - The curriculum remains broad and balanced but is cost effective.
 - Participation of PP students in enrichment opportunities and high quality extra-curricular activities is being monitored and has improved.
- Accurate assessment of quality teaching
 - Existing systems and procedures for monitoring the quality of teaching, learning and assessment have been reviewed for effectiveness and changes made where necessary
- Accurate assessment and moderation of students work
 - Parents understand how their children are doing in relation to the standards expected and what they need to do to improve.
 - Parents have been given guidance on how to support their child to improve.
 - Assessment information is used to identify students falling behind and who need additional support (effective intervention is in place)
 - Teachers use assessment data to modify teaching so students achieve their potential
 - Teachers make consistent judgements about students’ progress and attainment within a subject area, across year groups and between year groups
- Excellent teaching of literacy and numeracy skills
 - The school has a clear and effective strategy/ programme in place to provide support for improving students’ literacy, especially those students at risk of underachieving between KS2 and 3.
 - The school is teaching reading effectively seen in improving outcomes

Personal Development, Behaviour and Welfare – Build on existing and develop new strategies to secure:

- A coherent SMSC and British Values curriculum
-

- As a Co-operative Trust Academy we are visibly embracing the British and Co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity.
- Students can demonstrate a clear understanding of their role and responsibilities in society.
- A climate is being maintained within which Spiritual, Moral, Social and Cultural development can flourish; the pastoral support for students reflects and endorses these aims
- Where appropriate the curriculum identifies, introduces and explores the elements of SMSC.
- Excellent student behaviour
 - The school policy for managing behaviour is consistently and fairly applied to reward achievement, recognise good behaviour and to deal with any inappropriate conduct. There is a clearly understood language of rewards and system of sanctions.
 - The behaviour for learning policy has been fully reviewed. It highlights strategies for minimising low-level disruption and improving student attention, motivation and outcomes.
- Excellent student attendance and punctuality
 - Through its attendance policy and intervention strategies the school is ensuring students achieve excellent levels of attendance and punctuality
- Excellent CEIAG Provision
 - Evidence demonstrates that the school is developing a robust and highly effective CIEAG programme across all Key Stages.
 - IAG provision is such that students are able to make informed and ambitious choices

Students Outcomes - Build on existing and develop new strategies to ensure:

- Excellent outcomes that exceed national expectations and the norm for all groups of students
 - A robust assessment of outcomes undertaken and Rapid Improvement Plans have been enacted.
 - Robust and on-going evaluation of progress towards improvement through data capture points.
- Narrowing of the gap in progress between Pupil Premium and Special Education Needs and Disability (SEND) students and other students
 - Principles and strategies to support key student groups and targeted intervention across all departments are fully embedded (e.g. boys, PP, HAPs and SEND)
- Excellent use of data to inform effective teaching and learning
 - Staff across the school use data effectively because they have a holistic understanding of data systems and how they can support improvement of student outcomes.
 - Assessment data at point of entry is accurate and consistent across the school
- Enhanced evaluation of pupil Premium Grant for maximum impact
 - Progress gaps between the performances of groups of students are continuing to close as a result of an improved focus on quality first teaching, feedback and consistency of marking across all key stages.
 - The Pupil Premium Grant is being used transparently to provide relevant support and intervention

Resources – Build on existing and develop new strategies to ensure

- First class business and financial management:
 - A three year budget forecast is in place, strategic review of income and expenditure has commenced to identify where efficiencies may be achieved.
- Effective deployment of teaching and associate staff:
 - We ensure that our curriculum plan deploys teaching staff in the most efficient way to maximise contact time and we have commenced a review of the organisational structure and deployment of associate staff to improve efficiency and effectiveness.
- Refreshed ICT and new technologies infrastructure.
 - A comprehensive, costed and time specific ICT and New Technology plan (hardware) and longer term (software) strategy is in place.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

Public Benefit

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

Strategic Report

Achievements and Performance

Key Performance Indicators

Analysis of public examination outcomes for the academic year 2015/16:

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

Key Stage 3

English	2014	2015	2016
L5+	90	90	88
L6+	60	64	63
Maths	2014	2015	2016
L5+	87	90	92
L6+	73	78	75
Science	2014	2015	2016
L5+	92	94	90
L6+	75	73	70

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

Provisional Key Stage 4 results (4 year trend against national)

PERFORMANCE INDICATORS	2012/13	NATIONAL 2013	2013/14	NATIONAL 2014	2014/15	NATIONAL 2015	2015/16*
Cohort no.	177		180	N/A	189		205
Average capped 8 point score	540	461	491	307	329	306	319
5A*-C inc. En & Ma %	64	60	79	55	64	54	66
5A*-C %	80	82	84	64	71	65	70
5A*-G %	97	95	99	92	98	91	94
EBacc %	32	22	41	24	33	23	25
Attainment 8	---	---	---	---	54.24	---	51.34
Progress 8	---	---	---	---	0.3	---	0.03
Basics % (A*-C in English and Maths)	---	---	---	---	---	---	72
3+ levels of progress English %	66	69	84	72	72	71	81
3+ levels of progress Maths %	83	70	89	66	86	67	79
4+ levels of progress English %	31	30	41	32	42	30	49
4+ levels of progress Maths	46	32	56	29	51	30	47
Value added (best 8) progress measure	1007	1000	1021.1	1000	1014.0 sig+	1000	NA
	Above average		Sig +				

*2016 results are still provisional subject to re-marks and some adjustment to the cohort number

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

Post 16 (Key Stage 5) Outcomes 2016 (provisional)

A2 Summary of Results 2016: Cotham Learning Community and Centre

A2 LEVEL - provisional		NBP16 2013	NBP16 2014	NBP16 2015	NBP16 2016
No. students	Centre	321	321	375	372
	Cotham	187	149	178	172
A*	Centre	13.0%	9.0%	9%	10%
	Cotham	12.2%	7.0%	9%	7%
	National Average	7.6%	8.2%	8.2%	8.1%
A*-A	Centre	34.0%	26.0%	28%	26%
	Cotham School	34.4%	22.0%	27%	23%
	National Average	26.3%	25.7%	25.9%	25.8%
A*-B	Centre	62.5%	53.0%	58%	53%
	Cotham	64.8%	44.0%	56%	50%
	National Average	52.9%	50.4%	54.5%	52.9%
A-E	Centre	99.5%	99.0%	99.2%	98%
	Cotham	99.8%	99.2%	98.1%	98%
	National Average	98.6%	97.4%	98.3%	98%
Average point score per entry	Centre	224.1	225.6	229.8	223
	Cotham	226.3	219.6	228.0	218
Average point score per student	Centre	789.5	757.0	766.3	747
	Cotham	787.0	705.5	746.3	705

Cotham Targets for 2015/16

Average point score per entry: 210.9

Average point score per student: 732

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

AS Summary of Results 2016: Cotham Learning Community and Centre

AS LEVEL – provisional		NBP16 2013	NPB16 2014	NBP16 2015	NBP16 2016
No. students	Centre	405	447	448	430
A-B	Centre	36.8%	47.0%	45%	39%
	Cotham	28.8%	41.0%	37%	38%
	National Average	39.8%	38.2%	40.9%	41.9%
A-C	Centre	61.3%	70.0%	65%	64%
	Cotham	50.2%	65.0%	58%	63%
	National Average	60.8%	58.4%	62.2%	63%
A-E	Centre	90.0%	93.0%	94%	93%
	Cotham	84.0%	91.0%	88%	91%
	National Average	88.4%	86.9%	89%	91%
Av point score per entry	Centre	91.7	106.1	102.0	101
	Cotham	82.0	101.2	96.0	98
Av point score per student	Centre	329.7	339.9	308.0	345
	Cotham	277.3	291.1	285.0	330

Please note that 2016 results need to be read with caution, this is due to different entry policies by Post 16 schools and colleges in the light of A level reform. Current Value added for Cotham at AS is -0.92 in comparison to the Centre average of -1.6.

Going Concern

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

Key Financial Performance Indicators and Financial Review

Restricted General Fund

The majority of the Academy's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities (SOFA) on page 23. General Restricted Fund income for the year was £8,412,704, expenditure against the fund was £8,555,950, giving a restricted revenue deficit for the year of £143,246 before transfers to the Restricted Fixed Asset Fund.

Unrestricted Funds

Income received into the Unrestricted Fund was £284,248. This was predominantly attributable to sales of school meals, letting of facilities and music tuition fees. Expenditure against the fund was £150,009 for the year, giving an Unrestricted Fund surplus for the year of £134,239.

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.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

Income received into the fund comprised Academies Devolved Formula Capital Funding of £31,180 (Total Restricted Fixed Asset income on the face of the SOFA of £29,121 is after allowing for repayment to the EFA of the unspent balance of a capital grant received in 2013). During the year £271,331 was spent on new computer equipment, improvements to the server environment and replacement boilers. 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 £17,322,197 Restricted Fixed Asset Fund carried forward balance after transfers between funds. This is detailed in note 15 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 £17,322,197 as at 31st August 2016. The movement in this account is detailed in note 11.

Cash in hand at 31st August 2016 was £2,315,086.

The Balance sheet includes a £3,588,000 defined benefit pension scheme liability in respect of the Local Government Pension Scheme as detailed in note 24.

The Reserves and Investment Policies are detailed below.

Financial and Risk Management Objectives and Policies

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

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the School. A comprehensive risk register has been established and is reviewed by the Senior Management Team on a regular basis. A formal review is undertaken in June each year.

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

The deficit of the Local Government Pension Scheme (LGPS) defined benefit pension scheme for the associate staff is a liability of £3,588,000 (2015: £1,978,000 liability). On the balance sheet, this is offset by Academy's reserves.

Reserves Policy

The policy of the School is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

The Governors regularly review the reserves of the School and consider them to be sufficient for the School's requirements and not excessive. Over the next three years, brought forward reserves will be utilised to ensure delivery of the School's ICT development plan, site improvement and development and to ensure business continuity in times of budgetary constraint.

Total funds at 31 August 2016 are £15,483,068 comprising a balance on the Restricted Fixed Asset Fund of £17,322,197 which can only be realised by disposing of tangible fixed assets, a balance on the Unrestricted Fund of £613,964 and a deficit on the Restricted General Fund of £(2,453,093). This deficit is due to a LGPS pension fund deficit of £3,588,000 (2015: £1,978,000 deficit). This is a long term liability and is being reduced by employer annual deficit recovery payments.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

Excluding this pension deficit, the balance on the Restricted General fund plus the balance on the Unrestricted Fund at 31 August 2016 is £1,748,871 (2015: £1,847,088).

Investment Policy

The School has invested £200,000 in the Virgin Charity Account and £85,000 in Cambridge and Counties. All other funds have been held in the Academy current account in readiness for their utilisation as part of site improvement and development including an all-weather pitch and 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

Principal Risks and Uncertainties

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the School. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Plans for Future Periods

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

In December 2015, following consultation, the Governors resolved to establish a Multi Academy Trust. Governors will continue to work towards the establishment of a Cooperative Multi Academy Trust during the 2016 – 2017 Academic Year.

We are awaiting the outcome of a Town and Village Green application which has been placed upon our school playing fields, if the application is rejected we hope to improve security, pitches and changing facilities to benefit both the school and community sports clubs.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2016

We have been granted planning permission for the development of an all-weather pitch on the school site, which we hope to complete by the spring term.

Governors have approved the use of reserves to enable an additional classroom block to be built, we are currently in discussion with the local authority with regards to the potential to increase our planned admission number further to support the secondary school place shortage in the City, we are therefore delaying the proposed additional build until the outcome of the discussion is known.

Funds held as Custodian Trustee on behalf of others

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

Auditor

In so far as the Governors are aware:

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

The auditors, RSM UK Audit LLP who were appointed upon conversion, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Governors Report, incorporating a strategic report approved by order of the Board of Trustees on 07 December 2016 and signed on its behalf by:

Jim Bowyer
Chair of Governors



Date: 7/12/16

Cotham School

Governance Statement

For the year ended 31 August 2016

Scope of Responsibility

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

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

Governance

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

Governor	Meetings attended	Out of a possible
Jim Bowyer (Chair)*	7	7
Jo Butler (Headteacher & Accounting Officer)	7	7
Dora Alderson	7	7
John Bass*	2	2
Dave Brockington	5	7
Paula Bradshaw*	2	4
Ed Carpenter*	4	7
Andrew Ellis	6	7
Jo Feather	6	7
Sandra Fryer* (Chair FP&GP Committee)	5	7
Helen Gordon	2	7
Claire Grocott	7	7
Delroy Hillert	2	4
Jeremy Krause	6	7
Sujitha Subramanian	2	4
David Winter**	6	7
David Yorath*	5	7

*Members of the Finance, Property and General Purposes Committee

**Chair of the Audit Committee

Cotham School

Governance Statement (continued)

For the year ended 31 August 2016

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

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the EFA guidance issued to academies;
- authorising changes to the academy staffing structure in conjunction with the Personnel and Training Committee;
- reviewing the reports of Internal Audit and the Audit Committee on the effectiveness of the financial procedures and controls. These reports are also 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.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Sandra Fryer (Committee Chair)	6	6
John Bass	1	2
Jim Bowyer (Chair of Governors)	6	6
Paula Bradshaw	2	4
Jo Butler (Headteacher and Accounting Officer)	6	6
Ed Carpenter	4	6
David Yorath	4	6

Review of Value for Money

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

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

- Collaboration with Redland Green School to provide a wide range of subjects at Post 16 which would not be cost effective for one school
- 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.
- Continual review and evaluation of the school budget to ensure resources are directed where they are most needed;
- Regular review of suppliers to ensure quality and best value in all areas of procurement;
- Ensuring competitive pricing from suppliers by market testing and obtaining written quotations for any purchase in excess of £2,500.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance Property and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of financial authority and segregation of duties; and
- identification and management of risks.

We continue to use Bristol City Council for Internal Audit purposes, during the year their schedule of work has included:

- Testing of the procurement process
- Review of budget setting, approval and monitoring
- Testing of income and expenditure controls

No material control issues were identified.

At each Finance, Premises and General Purposes Committee meeting following an Internal audit, 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.

Cotham School

Governance Statement (continued)

For the year ended 31 August 2016

Review of Effectiveness

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

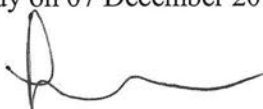
- the work of the Internal Auditor;
- the work of the External auditor; and
- the work of the senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 07 December 2016 and signed on its behalf by:



Jim Bowyer
Chair of Governors



Joanne Butler
Accounting Officer

Cotham School

Statement on Regularity, Propriety and Compliance

For the year ended 31 August 2016

As accounting officer of Cotham School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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 EFA.



Joanne Butler
Accounting Officer

Date: 7/12/16

Cotham School

Statement of Governors' Responsibilities

For the year ended 31 August 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 07 December 2016 and signed on its behalf by:



Jim Bowyer
Chair of Governors

Date: 7/12/16

Cotham School

Independent Auditor's Report

For the year ended 31 August 2016

We have audited the financial statements of Cotham School for the year ended 31 August 2016 on pages 23 to 45. 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" and the Academies Accounts Direction 2015/16 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 20 the Governors (who act as Trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/16 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Cotham School

Independent Auditor's Report

For the year ended 31 August 2016

RSM UK Audit LLP

KEVIN BARWICK (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Hartwell House, 55-61 Victoria Street

Bristol, BS1 6AD

Date:

13 December 2016

Cotham School

Statement of Financial Activities (including income and expenditure account)

For the year ended 31 August 2016

	Notes	Unrestrict -ed Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income from:						
Donations and capital grants	2	-	-	29,121	29,121	29,667
Charitable activities:						
Funding for the academy trust's educational operations	3	-	8,116,182	-	8,116,182	8,058,255
Other trading activities	4	278,405	296,522	-	574,927	583,038
Investments	5	5,843	-	-	5,843	5,155
Total		284,248	8,412,704	29,121	8,726,073	8,676,115
Expenditure on:						
Raising funds	6	15,718	272,679	-	288,397	293,636
Charitable activities:						
Academy trust educational operations	7	134,291	8,283,271	453,955	8,871,517	8,597,949
Total		150,009	8,555,950	453,955	9,159,914	8,891,585
Net income / (expenditure)		134,239	(143,246)	(424,834)	(433,841)	(215,470)
Transfers between funds	15	-	(242,210)	242,210	-	-
Net income/(expenditure)		134,239	(385,456)	(182,624)	(433,841)	(215,470)
Other recognised (losses):						
Actuarial (losses) on defined benefit pension schemes	24	-	(1,457,000)	-	(1,457,000)	(112,000)
Net movement in funds		134,239	(1,842,456)	(182,624)	(1,890,841)	(327,470)
Reconciliation of funds						
Total funds brought forward	15	479,725	(610,637)	17,504,821	17,373,909	17,701,379
Total funds carried forward		613,964	(2,453,093)	17,322,197	15,483,068	17,373,909

All of the Academy's activities derive from continuing operations during the above two financial periods.
Comparative information for all amounts in the Statement of Financial Activities is presented in the notes to the accounts.

Cotham School

Balance Sheet

As at 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed Assets					
Tangible Assets	11		17,322,197		17,504,821
Current Assets					
Stock	12	5,125		9,185	
Debtors	13	245,948		212,729	
Cash at bank and in hand		<u>2,315,086</u>		<u>2,253,284</u>	
		2,566,159		2,475,198	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(817,288)</u>		<u>(628,110)</u>	
Net current assets			<u>1,748,871</u>		<u>1,847,088</u>
Net assets excluding pension liability			19,071,068		19,351,909
Defined benefit pension scheme liability	24		<u>(3,588,000)</u>		<u>(1,978,000)</u>
Total net assets			<u>15,483,068</u>		<u>17,373,909</u>
Funds of the academy trust:					
Restricted funds					
– Fixed asset fund	15	17,322,197		17,504,821	
– Restricted income fund	15	<u>1,134,907</u>		<u>1,367,363</u>	
Restricted funds excluding pension reserve		18,457,104		18,872,184	
Pension Reserve	15	<u>(3,588,000)</u>		<u>(1,978,000)</u>	
Total restricted funds			14,869,104		16,894,184
Unrestricted income funds	15		<u>613,964</u>		<u>479,725</u>
Total funds			<u>15,483,068</u>		<u>17,373,909</u>

The financial statements on pages 23 to 45 were approved by the governors, and authorised for issue on 07 December 2016 and are signed on their behalf by:



Jim Bowyer
Chair of Governors

Date: 7/12/16

Cotham School

Statement of Cash Flows

For the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	250,777	456,684
Cash flows from investing activities	20	(188,975)	933
Change in cash and cash equivalents in the reporting period		<u>61,802</u>	<u>457,617</u>
 Cash and cash equivalents at 1 September 2015		2,253,284	1,795,667
 Cash and cash equivalents at 31 August 2016	21	<u>2,315,086</u>	<u>2,253,284</u>

Cotham School

Notes to the Financial Statements

For the year ended 31 August 2016

1. Statement of Accounting Policies

Basis of Preparation

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 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

Cotham School meets the definition of a public benefit entity under FRS 102.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

First time adoption of FRS 102

These financial statements are the first financial statements of Cotham School prepared in accordance with Financial Reporting Standard 102 'The financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cotham School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation, and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included below.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of total funds	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		17,701,379	17,373,909
Total funds reported under FRS 102		17,701,379	17,373,909
Reconciliation of net income/(expenditure) and net movement in funds	Notes		31 August 2015 £
Net income/(expenditure) previously reported under UK GAAP			(193,470)
Change in recognition of LGPS interest cost (impact on expenditure)	A		(22,000)
Net income/(expenditure) under FRS 102			(215,470)
Other recognised gains and losses previously reported under UK GAAP			(134,000)
Change in recognition of LGPS interest cost (impact on recognised gains and losses)	A		22,000
Net movement in funds under UK GAAP and FRS102			(327,470)

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

No employee benefits accrual has been made at either 31 August 2015 or 31 August 2016 – see note **B** below.

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £22,000 and decrease the debit in other recognised gains and losses in the SoFA by an equivalent amount. The overall impact on net movement in funds for the year ended 31 August 2015 is nil.

B – Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward up to 12 days of any unused holiday entitlement at the reporting date. No provision has been made for this outstanding holiday pay at either 31 August 2016 or 31 August 2015 as the amounts are considered immaterial. (The provision would only be relevant for a small number of non-teaching staff). Furthermore, during the year-ended 31 August 2016 the academy trust changed its holiday year to run to 31 August 2017 for all staff, and annually to 31 August thereafter. The impact of this change will be to eliminate the need for a provision for outstanding holiday pay in future as a full year holiday entitlement must be taken by all employees by 31 August 2017.

Going Concern

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

Income

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

Grants

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 unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

Agency arrangements

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

Other Income

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

Donated Services and Gifts in Kind

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

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.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets, other than computer equipment, costing £2,500 or more are capitalised as tangible fixed assets 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

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

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

Liabilities

Liabilities 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 trust 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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

Leased Assets

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

Stock

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

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 24, 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.

1. Statement of Accounting Policies (continued)

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.

Fund Accounting

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

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

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

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements 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 Trust 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 amount 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 24, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

The net book value of Land & Buildings is based on an estimate of the length of useful life of the property and a valuation which was performed by a qualified valuation professional at 31 August 2012. The resulting net book value depends on a number of estimates and assumptions. The net book value of other fixed assets is based on useful lives that are dependent on assumptions about the levels of repairs and maintenance that will be incurred in relation to individual assets.

Where provision is required for employee non-statutory / non-contractual severance payments, estimates may be required regarding the amount to provide and the likelihood of different payment amounts.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

Critical areas of judgement

The Academy Trust assesses fixed assets for impairment (physical damage or reduction in value) on an ongoing basis to ensure the carrying value of fixed assets is recoverable.

Judgement is required in assessing whether certain elements of spend, particularly on the fabric of the school building, is capital or revenue in nature. This impacts how the spend is treated in the Balance Sheet and Statement of Financial Activities.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DFE/ EFA Capital Grants	-	29,121	29,121	29,667
	-	29,121	29,121	29,667

The income from donations and capital grants was £29,121 (2015: £29,667) of which £nil was unrestricted (2015: £nil) and £29,161 was restricted fixed assets (2015: £29,667).

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA Grants				
- General Annual Grant (GAG)	-	7,591,325	7,591,325	7,556,846
- Other DfE/EFA Grants	-	396,922	396,922	365,869
	-	7,988,247	7,988,247	7,922,715
Other Government grants				
- Local authority grants	-	127,935	127,935	123,540
- Special educational projects	-	-	-	12,000
	-	127,935	127,935	135,540
	-	8,116,182	8,116,182	8,058,255

Funding for the Academy Trust's educational operations was £8,116,182 (2015: £8,058,255) of which £nil was unrestricted (2015: £nil) and £8,116,182 was restricted (2015: £8,058,255).

4 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income from fundraising events	-	295,088	295,088	311,313
Hire of facilities	54,824	1,434	56,258	48,735
Catering income	205,956	-	205,956	202,785
Other Sundry Income	17,625	-	17,625	20,205
	278,405	296,522	574,927	583,038

The income from other trading activities was £574,927 (2015: £583,038) of which £278,405 was unrestricted (2015: £268,493) and £296,522 was restricted (2015: £314,545).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

5 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Short term deposits	5,843	-	5,843	5,155
	<u>5,843</u>	<u>-</u>	<u>5,843</u>	<u>5,155</u>

Investment income was £5,843 (2015: £5,155) of which £5,843 was unrestricted (2015: £5,155) and £nil was restricted (2015: £nil).

6 Expenditure

	Staff costs £	Non Pay expenditure		Total 2016 £	Total 2015 £
		Premises £	Other costs £		
Expenditure on raising funds	16,177	-	272,220	288,397	293,636
Academy's educational operations:					
- Direct costs	5,284,916	286,950	819,354	6,391,220	6,154,866
- Allocated support costs	953,074	616,726	910,497	2,480,297	2,443,083
	<u>6,254,167</u>	<u>903,676</u>	<u>2,002,071</u>	<u>9,159,914</u>	<u>8,891,585</u>
Net income/ (expenditure) for the period includes:				2016 £	2015 £
Operating leases rentals				22,303	44,360
Depreciation				453,955	435,444
Fees payable to auditor for:					
- audit				15,050	14,563
- other services				1,600	-

Total expenditure was £9,159,914 (2015: £8,891,585) of which £150,009 was unrestricted (2015: £158,371), £8,555,950 was restricted (2015: £8,297,770) and £453,955 was restricted fixed assets (2015: £435,444).

Expenditure on raising funds was £288,397 (2015: £293,636) of which £15,718 was unrestricted (2015: £19,443) and £272,679 was restricted (2015: £274,193).

For the comparative split by fund of expenditure on academy's charitable activities educational operations see note 7.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

7 Charitable Activities

	Total 2016 £	Total 2015 £
Direct costs – educational operations	6,391,220	6,154,866
Support costs – educational operations	2,480,297	2,443,083
	<u>8,871,517</u>	<u>8,597,949</u>
Analysis of support costs	Total 2016 £	Total 2015 £
Support staff costs	947,413	952,234
Depreciation	167,005	148,495
Technology costs	115,941	123,450
Premises costs	616,726	630,272
Other support costs	602,132	560,846
Governance costs	31,080	27,786
Total support costs	<u>2,480,297</u>	<u>2,443,083</u>

Expenditure on charitable activities was £8,871,517 (2015: £8,597,949) of which £134,291 was unrestricted (2015: £138,928), £8,283,271 was restricted (2015: £8,023,577) and £453,955 was restricted fixed assets (2015: £435,444).

Governance costs have been re-stated during the year to include the payroll cost of the Clerk to the Governors. The prior year comparative has also been re-stated to reflect this change. In the analysis of support cost above there has been a corresponding reduction in support staff costs.

8 Staff costs

Staff costs during the period were:	2016 £	2015 £
Wages and salaries	5,194,444	5,072,482
Social security costs	418,925	334,751
Operating costs of defined benefit pension schemes	583,480	474,219
	<u>6,196,849</u>	<u>5,881,452</u>
Supply teacher costs	57,318	66,147
Staff restructuring costs	-	23,249
	<u>6,254,167</u>	<u>5,970,848</u>
Staff restructuring costs comprise:		
Severance Payments	-	23,249
	<u>-</u>	<u>23,249</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015: £23,249). This represents nil individual payments (2015: 2 individual payments of £11,249 and £12,000).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

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

	2016 No.	2015 No.
Teachers	80	79
Administration and support	68	69
Management	8	8
	<u>156</u>	<u>156</u>

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

	2016 No.	2015 No.
Teachers	92	93
Administration and Support	89	88
Management	9	8
	<u>190</u>	<u>189</u>

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

£60,001 - £70,000	1	-
£70,001 - £80,000	2	2
£90,001 - £100,000	1	-
£100,001- £110,000	-	1
	<u>4</u>	<u>3</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, employer's pension contributions for these staff amounted to £48,836 (2015: £34,676).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on Page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the academy trust was £601,656 (2015: £558,803).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

9 Trustees' Remuneration & Expenses

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

Joanne Butler (Principal and governor)	
Remuneration	£90,000 to £95,000 (2015: £nil)
Employer's Pension Contributions	£15,000 to £20,000 (2015: £nil)
Malcolm Willis (Former Principal and governor)	
Remuneration	£nil (2015: £100,000 to £105,000)
Employer's Pension Contributions	£nil (2015: £10,000 to £15,000)
Caroline Francis (Former staff governor)	
Remuneration	£nil (2015: £50,000 to £55,000)
Employer's Pension Contributions	£nil (2015: £5,000 to £10,000)
Andrew Ellis (staff governor)	
Remuneration	£45,000 to £50,000 (2015: £45,000 to £50,000)
Employer's Pension Contributions	£5,000 to £10,000 (2015: £5,000 to £10,000)
Ed Carpenter (staff governor)	
Remuneration	£30,000 to £35,000 (2015: £30,000 to £35,000)
Employer's Pension Contributions	Less than £5,000 (2015: Less than £5,000)

The Headteacher is accruing retirement benefits under the Teachers Pensions Scheme and contributions paid in the year amounted to £15,401 (2015: Former Headteacher £14,748).

The staff Governors are accruing retirement benefits under the Teachers' Pension Scheme and the Local Government Pension Scheme. Contributions paid in the year amounted to £7,780 to the Teachers' Pension Scheme (2015: £13,586) and £4,190 to the Local Government Pension scheme (2015: £3,828).

During the year ended 31 August 2016, travel and subsistence expenses totalling £192 (2015: £946) were reimbursed to 3 governors (2015: 4). All of the travel and subsistence expenses reimbursed related to school business activity.

Other related party transactions involving the trustees are set out in note 25.

10 Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2015: £5,000,000) on any one claim and the cost for the year ended 31 August 2016 was £1,536 (2015: £1,541).

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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

11 Tangible Fixed Assets

Cost	Freehold Land & Buildings £	Furniture & Equipment £	Computer Hardware £	Motor vehicles £	Total £
At 1 September 2015	17,925,978	269,873	613,513	10,840	18,820,204
Additions	-	35,913	235,418	-	271,331
Disposals	-	-	-	-	-
At 31 August 2016	<u>17,925,978</u>	<u>305,786</u>	<u>848,931</u>	<u>10,840</u>	<u>19,091,535</u>
Depreciation					
At 1 September 2015	859,617	79,108	367,986	8,672	1,315,383
Charged in year	286,950	27,560	137,277	2,168	453,955
Disposals	-	-	-	-	-
At 31 August 2016	<u>1,146,567</u>	<u>106,668</u>	<u>505,263</u>	<u>10,840</u>	<u>1,769,338</u>
Net book values					
As at 31 August 2015	<u>17,066,361</u>	<u>190,765</u>	<u>245,527</u>	<u>2,168</u>	<u>17,504,821</u>
As at 31 August 2016	<u>16,779,411</u>	<u>199,118</u>	<u>343,668</u>	<u>-</u>	<u>17,322,197</u>

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

	2016 £	2015 £
12 Stock		
Catering	5,125	9,185
	<u>5,125</u>	<u>9,185</u>
13 Debtors	2016 £	2015 £
Trade debtors	11,569	6,858
VAT recoverable	109,953	46,264
Other debtors	7,676	4,618
Prepayments and accrued income	116,750	154,989
	<u>245,948</u>	<u>212,729</u>
14 Creditors: Amounts falling due within one year	2016 £	2015 £
Trade creditors	369,712	176,578
Other taxation and social security	125,973	104,110
Other creditors	213,348	172,149
Accruals and deferred income	108,255	175,273
	<u>817,288</u>	<u>628,110</u>
Deferred income	2016 £	2015 £
Income deferred at 1 September 2015	66,289	59,957
Released from previous years	(66,289)	(59,957)
Resources deferred in the year	45,680	66,289
Income deferred at 31 August 2016	<u>45,680</u>	<u>66,289</u>

At the balance sheet date the Academy Trust was holding funds received in advance for educational visits and activities booked for the 2016/17 school year of £4,286 (2015: £23,711), music tuition fees for the 2016/17 school year of £3,460 (2015: £4,862), rates relief received in advance from the EFA relating to the 2016/17 academic year of £27,107 (2015: £26,889), a grant for a Film Project taking place in the 2016/17 school year of £10,827 (2015: £10,827).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

15 Funds

	1 September 2015 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG) (excluding pension reserve)	381,969	7,591,325	(7,726,309)	(242,210)	4,775
Pension reserve	(1,978,000)	-	(153,000)	(1,457,000)	(3,588,000)
General Annual Grant (GAG)	(1,596,031)	7,591,325	(7,879,309)	(1,699,210)	(3,583,225)
Pupil Premium	355,066	327,779	(330,019)	-	352,826
Other DfE/EFA Grants	146,708	69,143	(67,387)	-	148,464
Other Government Grants	333,572	127,935	(6,556)	-	454,951
Other trading activities	150,048	296,522	(272,679)	-	173,891
	(610,637)	8,412,704	(8,555,950)	(1,699,210)	(2,453,093)
Restricted fixed asset funds					
Assets inherited from Local Authority	17,113,504	-	(342,215)	-	16,771,289
DfE/EFA capital grants	131,763	29,121	(16,326)	-	144,558
Capital expenditure from GAG	87,847	-	(30,725)	242,210	299,332
Local Authority Grants	171,707	-	(64,689)	-	107,018
	17,504,821	29,121	(453,955)	242,210	17,322,197
Total restricted funds	16,894,184	8,441,825	(9,009,905)	(1,457,000)	14,869,104
Unrestricted funds	479,725	284,248	(150,009)	-	613,964
Total unrestricted funds	479,725	284,248	(150,009)	-	613,964
Total funds	17,373,909	8,726,073	(9,159,914)	(1,457,000)	15,483,068

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

Other grants include funding for statemented support, Local Authority Growth Fund and Year 7 Catch Up funding. This income is restricted based on the requirements of the specific grant agreements. The pension fund also sits in restricted funds, further details can be found in note 24. These are restricted as these resources were provided with specific restrictions imposed by the funder or donor.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

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

The transfer of £242,210 (2015: £4,222) between the restricted general fund and the restricted fixed asset fund increases the value of the fixed asset fund to adjust for capital income in the year being less than capital spend on fixed assets, with the shortfall being funded by a transfer from the restricted general fund.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

The balance on the restricted general fund (excluding pension reserve) plus the balance on the unrestricted fund at 31 August 2016 is a surplus of £1,748,871 (2015: £1,847,088).

16 Analysis of Net Assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total funds £
Tangible fixed assets	-	-	17,322,197	17,322,197
Current assets	617,424	1,948,735	-	2,566,159
Current liabilities	(3,460)	(813,828)	-	(817,288)
Pension scheme liability	-	(3,588,000)	-	(3,588,000)
Total net assets	613,964	(2,453,093)	17,322,197	15,483,068

17 Capital Commitments

At 31 August 2016 the Academy Trust had no capital commitments.

18 Commitments under operating leases

Operating Leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	17,972	22,280
Amounts due between one and five years	20,579	36,263
	38,551	58,543

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

19 Reconciliation of Net income/(expenditure) to Net Cash flow from Operating Activities

	Total 2016 £	Total 2015 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(433,841)	(215,470)
Adjusted for:		
Depreciation (note 11)	453,955	435,444
Capital grants from DfE and other capital income	(29,121)	(29,667)
Interest receivable (note 5)	(5,843)	(5,155)
Defined benefit pension scheme cost less contributions payable (note 24)	73,000	83,000
Defined benefit pension scheme finance cost (note 24)	80,000	70,000
Decrease in stocks	4,060	299
(Increase)/ decrease in debtors	(33,219)	35,744
Increase in creditors	141,786	82,489
Net Cash provided by / (used in) Operating Activities	250,777	456,684

20 Cash flows from investing activities

Interest received	5,843	5,155
Purchase of tangible fixed assets	(223,939)	(33,889)
Capital Grants from DfE/EFA	29,121	29,667
Net cash (used in) / provided by investing activities	(188,975)	933

21 Analysis of cash and cash equivalents

	At 31 August 2016	At 31 August 2015
Cash in hand and at bank	2,315,086	2,253,284
Total cash and cash equivalents	2,315,086	2,253,284

22 Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

23 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.

24 Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bath and North East Somerset County Council and advised by Mercer. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £103,326 (2015: £91,298) were payable to the schemes at 31 August 2016 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

24 Pension and Similar Obligations (continued)

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £578,237 (2015: £472,191)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £363,000 (2015: £350,000), of which employer's contributions totalled £269,000 (2015: £254,000) and employees' contributions totalled £94,000 (2015: £96,000). The agreed contribution rates for future years are 13.7% for employers from 2016/17 and a range from 5.5% to 8.5% for employees depending on salary.

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

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

Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.3%	3.8%
Rate of increase for pensions in payment/inflation	1.9%	2.3%
Discount rate for scheme liabilities	2.1%	4.0%
Inflation assumption (CPI)	1.8%	2.3%
Commutation of pensions to lump sums	50.00%	50.00%

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

24 Pension and Similar Obligations (continued)

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.5	23.4
Females	26.0	25.9
<i>Retiring in 20 years</i>		
Males	25.9	25.8
Females	28.9	28.8

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,046,000	835,000
Government Bonds	253,000	135,000
Other bonds	199,000	170,000
Property	201,000	122,000
Cash/liquidity	(10,000)	33,000
Other	384,000	207,000
Total market value of assets	2,073,000	1,502,000

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

The actual return on scheme assets was £253,000 (2014: £21,000).

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	342,000	337,000
Net interest cost	74,000	64,000
Administration expenses	6,000	6,000
Total operating charge	422,000	407,000

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

24 Pension and Similar Obligations (continued)

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

	2016 £	2015 £
At 1 September	3,480,000	2,896,000
Current service cost	342,000	337,000
Interest cost	141,000	117,000
Employee contributions	94,000	96,000
Actuarial loss	1,643,000	79,000
Benefits paid	(39,000)	(45,000)
At 31 August	5,661,000	3,480,000

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

	2016 £	2015 £
At 1 September	1,502,000	1,183,000
Interest income	67,000	53,000
Actuarial loss	186,000	(33,000)
Administration expenses	(6,000)	(6,000)
Employer contributions	269,000	254,000
Employee contributions	94,000	96,000
Benefits paid	(39,000)	(45,000)
At 31 August	2,073,000	1,502,000

The estimated value of employer contributions for the year ended 31 August 2017 is £286,000.

25 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

26 Agency Arrangements

The Academy Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £40,238 (2015:£39,470) and disbursed £21,410 (2015: £37,340). The Academy Trust retained a beneficial interest in individual transactions such that £1,892 (2015:£1,854) has been recognised in income and expenditure in the statement of financial activities.

This leaves an amount of £16,936 (2015: £276) available to be dispersed included in other creditors. Including the brought forward creditor, this gives a total amount available to be dispersed at the year-end of £49,029 (2015: £32,093).

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

In accordance with the terms of our engagement letter dated October 2016 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/16, we have carried out an engagement to obtain assurance about whether the expenditure disbursed and income received by Cotham School Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cotham School Academy Trust and the EFA in accordance with the terms of our engagement letter dated October 2016. Our work has been undertaken so that we might state to Cotham School Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cotham School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Cotham School Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015/16. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015/16 issued by the EFA. We performed an assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. An assurance engagement is more in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit Ltd

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Date: 13 December 2016