



COTHAM SCHOOL
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2017

Company Registration Number:
07732888 (England and Wales)

Cotham School

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Cotham School

Reference and Administrative Details

For the year ended 31 August 2017

| | | |
|---------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------|
| Governors (Trustees) | Jim Bowyer * | (Chair) |
| (NB all Governors are Directors and Members of Cotham School) | Dora Alderson | (Chair of Personnel and Training Committee) |
| | John Bass* | |
| | Massimo Bonaddio | (from 09/05/2017) |
| | Paula Bradshaw* | |
| | Dave Brockington | |
| | Ed Carpenter * | |
| | Gareth Edmunds | (from 09/12/16) |
| | Andrew Ellis | |
| | Jo Feather | |
| | Sandra Fryer* | (Chair of Finance, Premises and General Purposes Committee) |
| | Claire Grocott | (Chair of Learning and Wellbeing Committee) |
| | Delroy Hibbert | |
| | Jeremy Krause | (Chair of Appointments and Standards Committee) |
| | Hannah Russell | (from 09/05/2017) |
| | Joanne Butler | (Headteacher and Accounting Officer) |
| | David Winter | |
| | 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 | |
| Deputy Head KS3 | Domini Leong | (from 01/09/2016) |
| Deputy Head KS4 | Svetlana Bajic-Raymond | |
| Director NBP16 | Marian Curran | |
| Assistant Head KS4 | Chris Reed | (from 01/09/2016) |
| Assistant Head KS3 | Caroline Francis | (Until 25/11/2016) |
| Assistant Head Teaching & Learning | Alison Goddard Jones | |
| Assistant Head P16 | Aimi Potter | (Maternity leave from 03/10/2016-26/06/2017) |
| Assistant Head P16 | Eileen Quirke | (Maternity cover from 01/09/2016-25/06/2017) |
| Assistant Head | Eileen Quirke | (from 26/06/2017) |
| Business Manager | Mel Sperring | (Retired 3/9/17) |
| Business Manager | Suzanne Priest | (from 14/8/17) |

Cotham School

Reference and Administrative Details

For the year ended 31 August 2017

| | |
|---------------------------------|-------------------------------------------------------------------------------------|
| 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 2017

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 2016 to 31 August 2017. 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 416 students in Post 16 as per the school census in October 2016.

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 £1,000,000.

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 2017 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 2017

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 three times per academic year to receive reports from its committees and manage its business.

There are three main committees:

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

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

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

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

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 as student exchanges, visits, performing arts, maths & computing activities make a significant contribution to learners' enjoyment, achievement and wider personal development.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2017

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 2017 are summarised below:

LEADERSHIP: Build on existing and develop new strategies to secure:

- A1.** improved leadership capacity at all levels of the school
- A2.** a clearly articulated vision with a central role for the 'specialisms'
- A3.** effective communication
- A4.** further development to quality assurance mechanisms
- A5.** strengthened governance
- A6.** robust safeguarding procedures
- A7.** a targeted programme of teaching and associate staff CPD with highly effective appraisal at all levels
- A8.** the School Roll (Yr7 and Post 16) within the Bristol context
- A9.** the Cotham MAT structure and city-wide networks

TEACHING, LEARNING AND ASSESSMENT: Build on existing and develop new strategies to secure:

- B1.** a Cotham 'learning' and 'learner identity'
 - B2.** an aspirational curriculum which meets the needs of all students
 - B3.** accurate assessment of quality of teaching
 - B4.** accurate assessment and moderation of student work
 - B5.** effective feedback and students' response to feedback
 - B6.** excellent teaching of literacy and numeracy skills
-

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2017

- B7.** innovation in the use of new technologies to support learning
- B8.** appropriate levels of challenge in lessons
- B9.** effective home and independent learning

PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE: Build on existing and develop new strategies to secure:

- C1.** a coherent SMSC and British Values curriculum
- C2.** excellent student behaviour
- C3.** excellent student attendance and punctuality
- C4.** outstanding student welfare, support and well-being
- C5.** excellent CEIAG provision

STUDENTS' OUTCOMES: Build on existing and develop new strategies to secure:

- D1.** excellent outcomes that exceed national expectations as the norm for all groups of students
- D2.** progress of targeted groups
- D3.** excellent use of data to inform effective teaching and learning

RESOURCES: Build on existing and develop new strategies to secure:

- E1.** first class business and financial management
- E2.** effective deployment of teaching and associate staff
- E3.** refreshed ICT and new technologies infrastructure
- E4.** site and facilities maintenance, development and best use of resources

Strategic Report

Achievements and Performance

Key Performance Indicators

Analysis of public examination outcomes for the academic year 2016/17:

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.

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Report of the Governors (continued)

For the year ended 31 August 2017

Provisional Key Stage 4 results

The Progress 8 measure is the key measure used internally and by the Department for Education to show improvement across whole school cohorts. This measure at its current level is in line with the current national average. The other measures are not used internally to form individual targets because when these are set they are very much dependent on the ability and status of each individual cohort.

| | 2016/17 |
|--------------------------------------|---------|
| Cohort | 213 |
| English and Maths at Grade 4+ | 71% |
| English and Maths at Grade 5+ | 58% |
| Ebacc at Grade 4+ | 33% |
| Ebacc at Grade 5+ | 32% |
| Attainment 8 | 49.01 |
| Progress 8 | -0.08 |

Post 16 (Key Stage 5) Outcomes 2016/17 (provisional)

A2 Summary of Results 2016/17: Cotham Learning Community and Centre

| A2 LEVEL - provisional | | NBP16 2013/14 | NBP16 2014/15 | NBP16 2015/16 | NBP16 2016/17 |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| No. students | Centre | 321 | 375 | 390 | 393 |
| | Cotham | 149 | 176 | 184 | 196 |
| A* | Centre | 9.0% | 9% | 10% | 8% |
| | Cotham | 7.0% | 9% | 7% | 7% |
| | National Average | 8.2% | 8.2% | 8.1% | 8.3% |
| A*-A | Centre | 26.0% | 28% | 26% | 27% |
| | Cotham School | 22.0% | 27% | 23% | 26% |
| | National Average | 25.7% | 25.9% | 25.8% | 26.3% |
| A*-B | Centre | 53.0% | 58% | 53% | 55% |
| | Cotham | 44.0% | 56% | 50% | 55% |
| | National Average | 50.4% | 54.5% | 52.9% | 53.1% |
| A-E | Centre | 99.0% | 99.2% | 98% | 99% |
| | Cotham | 99.2% | 98.3% | 97% | 99% |
| | National Average | 97.4% | 98.1 % | 98% | 97.9% |

| | Cotham | | Male | | Female | | PP | |
|----------|--------|-----------|-------|-----------|--------|------|------|-----------|
| | APS | APE | APS | APE | APS | APE | APS | APE |
| A level | 114.3 | 35.2 (B-) | 110.8 | 35.1 (B-) | 116.4 | 35.2 | 75.2 | 27.3 (C-) |
| Academic | 118 | 35.4 (B-) | 116.1 | 35.5 (B-) | 119.2 | 35.4 | 75.9 | 27.3 (C-) |
| Applied | 69.8 | 41.2 (D*) | 91.2 | 41.4 (D*) | 53.4 | 40 | 70 | 46.6 (D*) |

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Report of the Governors (continued)

For the year ended 31 August 2017

AS Summary of Results 2016/17: Cotham Learning Community and Centre

| AS LEVEL – provisional | | NPB16 2013/14 | NBP16 2014/15 | NBP16 2015/16 | NBP16 2016/17 |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| No. students | Centre | 447 | 488 | 430 | 436 |
| A-B | Centre | 47.0% | 44% | 39% | 47% |
| | Cotham | 41.0% | 36% | 38% | 37% |
| | National Average | 38.2% | 40.9% | 41.9% | 43.5% |
| A-C | Centre | 70.0% | 65% | 64% | 67% |
| | Cotham | 65.0% | 57% | 63% | 58% |
| | National Average | 58.4% | 62.6% | 63% | 63.6% |
| A-E | Centre | 93.0% | 93% | 93% | 89% |
| | Cotham | 91.0% | 88% | 91% | 83% |
| | National Average | 86.9% | 89% | 91% | 89.6% |

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 and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities (SOFA) on page 21. General Restricted Fund income for the year was £8,267,368, expenditure against the fund was £8,650,655, giving a restricted revenue deficit for the year of £383,287 before transfers to the Restricted Fixed Asset Fund.

Unrestricted Funds

Income received into the Unrestricted Fund was £297,527. This was predominantly attributable to sales of school meals, letting of facilities and music tuition fees. Expenditure against the fund was £143,081 for the year, giving an Unrestricted Fund surplus for the year of £154,446.

Restricted Fixed Asset Fund

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

Income received into the fund comprised Academies Devolved Formula Capital Funding of £31,652. During the year £217,437 was spent on new computer equipment and the initial costs of rebuilding Stoke Lodge Pavilion (see Plans for Future Periods on page 10). This was funded by the Devolved Formula Capital grant and a transfer between the Restricted General Fund and the restricted Fixed Asset Fund.

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Report of the Governors (continued)

For the year ended 31 August 2017

The SOFA details a £17,094,772 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 £17,094,772 as at 31st August 2017. The movement in this account is detailed in note 11.

Cash in hand at 31st August 2017 was £2,261,940.

The Balance sheet includes a £3,654,000 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. These are mitigated by internal controls including Governor review of 3 year plan, annual budget sign-off, Governor approval of all investment of surplus funds, purchasing policy included in Financial Regulations, consultation with ESFA and external auditor.

The deficit of the Local Government Pension Scheme (LGPS) defined benefit pension scheme for the associate staff is a liability of £3,654,000 (2016: £3,588,000 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 2017 are £15,106,017 comprising a balance on the Restricted Fixed Asset Fund of £17,094,772 which can only be realised by disposing of tangible fixed assets, a balance on the Unrestricted Fund of £768,410 and a deficit on the Restricted General Fund of £(2,757,165). This deficit is due to a LGPS pension fund deficit of £3,654,000 (2016: £3,588,000 deficit). This is a long term liability and is being reduced by employer annual deficit recovery payments.

Excluding this pension deficit, the balance on the Restricted General fund plus the balance on the Unrestricted Fund at 31 August 2017 is £1,665,245 (2016: £1,748,871).

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2017

Investment Policy

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

Principles

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

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

Purposes:

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

Guidelines:

Ethical Considerations

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

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

Principal Risks and Uncertainties

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

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.

Over the last two years, the Governors have been scoping the potential for the School to form or join a Multi-Academy Trust. This continues to be a relevant piece of work that needs to fit entirely with the current needs of the School, and recognition of how Cotham will benefit as a learning community at the core of this decision. The Governors are not working to a specific timeframe in the immediate future.

Cotham School

Report of the Governors (continued)

For the year ended 31 August 2017

The School is awaiting the outcome of a review as to the decision surrounding the Town and Village Green application for our school playing fields. It is hoped that the outcome of the review will be favourable and we are hoping to improve security on the site. The School has also received notice of Government Grant capital funding in 2017/18 which will enable a refurbishment of the existing changing facilities to benefit both the school and community sports clubs that use the fields.

Towards the end of the 15/16 academic year the school began discussions with the Local Authority (LA) to consider the potential to increase the schools Planned Admission Number to support the LA in addressing the shortfall in secondary school places in the City. Early in 2016 -2017 it was formally agreed that Cotham should expand and in September 2018 the school's Planned Admission Number will increase from 216 – 243 (9 form entry). For the School to be able to accommodate this expansion there needs to be an increase in the number of classrooms and dining space. Working in partnership with the LA, the project has been agreed to fund the provision of 12 classrooms, an additional dining hall and meeting room space. This is a jointly funded project with the school having approval from the Governors to contribute £500,000. This contribution was diverted from an earlier agreement by the Governors to support the building of an additional classroom block as well as the All Weather Pitch. Subject to planning, it is intended that the works for the new building will begin early in January 2018 with completion by September 2018.

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

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 have been in office for 6 years. In the interests of ensuring value for money, the Governors propose to test the competitive market for provision of the annual audit. This will be for the year ended 31 August 2018 and will be approved at the Annual General Meeting on 13 December 2017.

Governors Report, incorporating a strategic report approved by order of the Board of Trustees on 13 December 2017 and signed on its behalf by:

Jim Bowyer
Chair of Governors



Date: 13/12/17

Cotham School

Governance Statement

For the year ended 31 August 2017

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 9 times during the year (this comprises 4 standard meetings and 5 extra meetings). Attendance during the year at meetings of the governing body was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------------------------------|-------------------|-------------------|
| Jim Bowyer (Chair)* | 7 | 9 |
| Jo Butler (Headteacher & Accounting Officer) | 9 | 9 |
| Dora Alderson | 8 | 9 |
| John Bass* | 9 | 9 |
| Massimo Bonaddio | 1 | 2 |
| Dave Brockington | 9 | 9 |
| Paula Bradshaw* | 7 | 9 |
| Ed Carpenter* | 2 | 9 |
| Gareth Edmunds | 4 | 5 |
| Andrew Ellis | 6 | 9 |
| Jo Feather | 6 | 9 |
| Sandra Fryer* (Chair FP&GP Committee) | 7 | 9 |
| Claire Grocott | 9 | 9 |
| Delroy Hibbert | 3 | 9 |
| Jeremy Krause | 8 | 9 |
| Hannah Russell | 2 | 2 |
| David Winter | 6 | 9 |
| David Yorath* | 6 | 9 |

***Members of the Finance, Property and General Purposes Committee**

Cotham School

Governance Statement (continued)

For the year ended 31 August 2017

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 ESFA guidance issued to academies;
- authorising changes to the academy staffing structure in conjunction with the Personnel and Training Committee;
- reviewing the reports of Internal Audit and the Audit Committee on the effectiveness of the financial procedures and controls. These reports are also to be reported to the full governing body; and
- Consider resources available within the School for the management of the buildings, and make recommendations for maintenance, improvement or development of the site and playing fields.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|------------------------------------------------|-------------------|-------------------|
| Sandra Fryer (Committee Chair) | 3 | 3 |
| John Bass | 3 | 3 |
| Jim Bowyer (Chair of Governors) | 3 | 3 |
| Paula Bradshaw | 3 | 3 |
| Jo Butler (Headteacher and Accounting Officer) | 2 | 3 |
| Ed Carpenter | 3 | 3 |
| David Yorath | 2 | 3 |

Review of Value for Money

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

- Comprehensive review of the curriculum to ensure subject and class size viability
- Regular review of staffing structure, throughout the year, using natural wastage where possible to reduce staff costs
- Annual review of energy supplier to ensure best market price
- Increased use of school facilities by external hirers to increase income
- 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 £5,000.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cotham School for the period 01 September 2016 to 31 August 2017 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 2016 to 31 August 2017 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:

- Review of fixed assets
- Review of ICT

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 2017

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 National Governance Association completed a review of governance for which the final report has not yet been received
- 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 13 December 2017 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 2017

As accounting officer of Cotham School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Joanne Butler
Accounting Officer

Date: 13/12/17

Cotham School

Statement of Governors' Responsibilities

For the year ended 31 August 2017

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 and Skills 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 2016 to 2017.
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13 December 2017 and signed on its behalf by:


Jim Bowyer
Chair of Governors

Date: 13/12/17

Cotham School

Independent Auditor's Report to the Members of Cotham School

For the year ended 31 August 2017

Opinion on financial statements

We have audited the financial statements of Cotham School (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Cotham School

Independent Auditor's Report to the Members of Cotham School (Continued)

For the year ended 31 August 2017

statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinion on other requirement of the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

Responsibilities of Governors

As explained more fully in the Statement of Governors' responsibilities set out on page 17, Governors (who act as trustees for the charitable activities of the charitable company 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Cotham School

Independent Auditor's Report to the Members of Cotham School (Continued)

For the year ended 31 August 2017

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.

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: 19 December 2017

Cotham School

Statement of Financial Activities (including income and expenditure account)

For the year ended 31 August 2017

| | Notes | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2017 £ | Total 2016 £ |
|---------------------------------------------------------------|-------|----------------------------|-------------------------------------|-----------------------------------------|-----------------|-----------------|
| Income from: | | | | | | |
| Donations and capital grants | 2 | - | - | 31,652 | 31,652 | 29,121 |
| Charitable activities: | | | | | | |
| Funding for the academy trust's educational operations | 3 | 187,709 | 8,062,010 | - | 8,249,719 | 8,302,961 |
| Other trading activities | 4 | 105,967 | 205,358 | - | 311,325 | 388,148 |
| Investments | 5 | 3,851 | - | - | 3,851 | 5,843 |
| Total | | 297,527 | 8,267,368 | 31,652 | 8,596,547 | 8,726,073 |
| Expenditure on: | | | | | | |
| Raising funds | 6 | 18,978 | 197,326 | - | 216,304 | 288,397 |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 7 | 124,103 | 8,453,329 | 444,862 | 9,022,294 | 8,871,517 |
| Total | | 143,081 | 8,650,655 | 444,862 | 9,238,598 | 9,159,914 |
| Net income / (expenditure) | | 154,446 | (383,287) | (413,210) | (642,051) | (433,841) |
| Transfers between funds | 15 | - | (185,785) | 185,785 | - | - |
| Net income/(expenditure) | | 154,446 | (569,072) | (227,425) | (642,051) | (433,841) |
| Other recognised gains / (losses): | | | | | | |
| Actuarial gains / (losses) on defined benefit pension schemes | 24 | - | 265,000 | - | 265,000 | (1,457,000) |
| Net movement in funds | | 154,446 | (304,072) | (227,425) | (377,051) | (1,890,841) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 15 | 613,964 | (2,453,093) | 17,322,197 | 15,483,068 | 17,373,909 |
| Total funds carried forward | | 768,410 | (2,757,165) | 17,094,772 | 15,106,017 | 15,483,068 |

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 2017

| | Notes | 2017 £ | 2017 £ | 2016 £ | 2016 £ |
|------------------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed Assets | | | | | |
| Tangible Assets | 11 | | 17,094,772 | | 17,322,197 |
| Current Assets | | | | | |
| Stock | 12 | 6,809 | | 5,125 | |
| Debtors | 13 | 214,865 | | 245,948 | |
| Cash at bank and in hand | | <u>2,261,940</u> | | <u>2,315,086</u> | |
| | | 2,483,614 | | 2,566,159 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | <u>(818,369)</u> | | <u>(817,288)</u> | |
| Net current assets | | | <u>1,665,245</u> | | <u>1,748,871</u> |
| Net assets excluding pension liability | | | 18,760,017 | | 19,071,068 |
| Defined benefit pension scheme liability | 24 | | <u>(3,654,000)</u> | | <u>(3,588,000)</u> |
| Total net assets | | | <u>15,106,017</u> | | <u>15,483,068</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| – Fixed asset fund | 15 | 17,094,772 | | 17,322,197 | |
| – Restricted income fund | 15 | <u>896,835</u> | | <u>1,134,907</u> | |
| Restricted funds excluding pension reserve | | 17,991,607 | | 18,457,104 | |
| Pension Reserve | 15 | <u>(3,654,000)</u> | | <u>(3,588,000)</u> | |
| Total restricted funds | | | 14,337,607 | | 14,869,104 |
| Unrestricted income funds | 15 | | <u>768,410</u> | | <u>613,964</u> |
| Total funds | | | <u>15,106,017</u> | | <u>15,483,068</u> |

The financial statements on pages 21 to 44 were approved by the governors, and authorised for issue on 13 December 2017 and are signed on their behalf by:



Jim Bowyer
Chair of Governors

Date: 13/12/17

Cotham School

Statement of Cash Flows

For the year ended 31 August 2017

| | Notes | 2017 £ | 2016 £ |
|--------------------------------------------------------------------|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 90,290 | 250,777 |
| Cash flows from investing activities | 20 | (143,436) | (188,975) |
| Change in cash and cash equivalents in the reporting period | | <u>(53,146)</u> | <u>61,802</u> |
| Cash and cash equivalents at 1 September 2016 | | 2,315,086 | 2,253,284 |
| Cash and cash equivalents at 31 August 2017 | 21 | <u>2,261,940</u> | <u>2,315,086</u> |

Cotham School

Notes to the Financial Statements

For the year ended 31 August 2017

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 2016 to 2017 issued by the ESFA, 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.

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.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA 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.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

Statement of Accounting Policies (continued)

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 land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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

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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

Statement of Accounting Policies (continued)

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.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Statement of Accounting Policies (continued)

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.

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 ESFA, 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 ESFA.

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

Statement of Accounting Policies (continued)

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.

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 2017

2 Donations and capital grants

| | Unrestricted Funds £ | Restricted Funds £ | Total 2017 £ | Total 2016 £ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ ESFA Capital Grants | - | 31,652 | 31,652 | 29,121 |
| | - | 31,652 | 31,652 | 29,121 |

The income from donations and capital grants was £31,652 (2016: £29,121) of which £nil was unrestricted (2016: £nil) and £31,652 was restricted fixed assets (2016: £29,161).

3 Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2017 £ | Total 2016 £ |
|--------------------------------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA Grants | | | | |
| - General Annual Grant (GAG) | - | 7,597,837 | 7,597,837 | 7,591,325 |
| - Other DfE/ESFA Grants | - | 422,721 | 422,721 | 396,922 |
| | - | 8,020,558 | 8,020,558 | 7,988,247 |
| Other Government grants | | | | |
| - Local authority grants | - | 41,452 | 41,452 | 127,935 |
| | - | 41,452 | 41,452 | 127,935 |
| Other income from the Academy Trust's educational operations | 187,709 | - | 187,709 | 186,779 |
| | 187,709 | 8,062,010 | 8,249,719 | 8,302,961 |

Funding for the Academy Trust's educational operations was £8,249,719 (2016: £8,302,961) of which £187,709 was unrestricted (2016: £186,779) and £8,062,010 was restricted (2016: £8,116,182).

4 Other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2017 £ | Total 2016 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Income from fundraising events | - | 205,358 | 205,358 | 295,088 |
| Hire of facilities | 70,638 | - | 70,638 | 56,258 |
| Catering income | 17,559 | - | 17,559 | 19,177 |
| Other Sundry Income | 17,770 | - | 17,770 | 17,625 |
| | 105,967 | 205,358 | 311,325 | 388,148 |

The income from other trading activities was £311,325 (2016: £388,148) of which £105,967 was unrestricted (2016: £91,626) and £205,358 was restricted (2016: £296,522).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

5 Investment income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2017 £ | Total 2016 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 3,851 | - | 3,851 | 5,843 |
| | <u>3,851</u> | <u>-</u> | <u>3,851</u> | <u>5,843</u> |

Investment income was £3,851 (2016: £5,843) of which £3,851 was unrestricted (2016: £5,843) and £nil was restricted (2016: £nil).

6 Expenditure

| | Staff costs £ | Non Pay expenditure | | Total 2017 £ | Total 2016 £ |
|----------------------------------------------------|---------------------|---------------------|------------------|--------------------|--------------------|
| | | Premises £ | Other costs £ | | |
| Expenditure on raising funds | 13,906 | - | 202,398 | 216,304 | 288,397 |
| Academy's educational operations: | | | | | |
| - Direct costs | 5,300,042 | 286,950 | 969,803 | 6,556,795 | 6,391,220 |
| - Allocated support costs | 980,685 | 575,157 | 909,657 | 2,465,499 | 2,480,297 |
| | <u>6,294,633</u> | <u>862,107</u> | <u>2,081,858</u> | <u>9,238,598</u> | <u>9,159,914</u> |
| Net income/ (expenditure) for the period includes: | | | | 2017 £ | 2016 £ |
| Operating leases rentals | | | | 17,972 | 22,303 |
| Depreciation | | | | 444,862 | 453,955 |
| Fees payable to auditor for: | | | | | |
| - audit | | | | 15,540 | 15,050 |
| - other services | | | | 1,150 | 1,600 |

Total expenditure was £9,238,598 (2016: £9,159,914) of which £143,081 was unrestricted (2016: £150,009), £8,650,655 was restricted (2016: £8,555,950) and £444,862 was restricted fixed assets (2016: £453,955).

Expenditure on raising funds was £216,304 (2016: £288,397) of which £18,978 was unrestricted (2016: £15,718) and £197,326 was restricted (2016: £272,679).

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 2017

7 Charitable Activities

| | Total 2017 £ | Total 2016 £ |
|----------------------------------------|-------------------------|-------------------------|
| Direct costs – educational operations | 6,556,795 | 6,391,220 |
| Support costs – educational operations | 2,465,499 | 2,480,297 |
| | <u>9,022,294</u> | <u>8,871,517</u> |
| Analysis of support costs | Total 2017 £ | Total 2016 £ |
| Support staff costs | 974,754 | 947,413 |
| Depreciation | 157,912 | 167,005 |
| Technology costs | 185,060 | 115,941 |
| Premises costs | 575,157 | 616,726 |
| Other support costs | 530,240 | 602,132 |
| Governance costs | 42,376 | 31,080 |
| Total support costs | <u>2,465,499</u> | <u>2,480,297</u> |

Expenditure on charitable activities was £9,022,294 (2016: £8,871,517) of which £124,103 was unrestricted (2016: £134,291), £8,453,329 was restricted (2016: £8,283,271) and £444,862 was restricted fixed assets (2016: £453,955).

8 Staff costs

| | | |
|----------------------------------------------------|------------------|------------------|
| Staff costs during the period were: | 2017 £ | 2016 £ |
| Wages and salaries | 5,135,557 | 5,194,444 |
| Social security costs | 483,558 | 418,925 |
| Operating costs of defined benefit pension schemes | 579,283 | 583,480 |
| Apprenticeship levy | 4,561 | - |
| | <u>6,202,959</u> | <u>6,196,849</u> |
| Supply teacher costs | 79,904 | 57,318 |
| Staff restructuring costs | 11,770 | - |
| | <u>6,294,633</u> | <u>6,254,167</u> |
| Staff restructuring costs comprise: | | |
| Severance Payments | 11,770 | - |
| | <u>11,770</u> | <u>-</u> |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,770 (2016: £nil). This represents 2 individual payments of £7,770 and £4,000 (2016: nil individual payments).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

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

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Teachers | 80 | 80 |
| Administration and support | 65 | 68 |
| Management | 9 | 8 |
| | <u>154</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:

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Teachers | 95 | 92 |
| Administration and Support | 88 | 89 |
| Management | 9 | 9 |
| | <u>192</u> | <u>190</u> |

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

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

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, employer's pension contributions for these staff amounted to £39,456 (2016: £48,836).

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) received by key management personnel for their services to the academy trust was £594,033 (2016: £601,656). This only includes the senior management team because staff governors do not receive remuneration for their roles as key management personnel (see Note 9 below).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

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 | £95,000 to £100,000 (2016: £90,000 to £95,000) |
| Employer's Pension Contributions | £15,000 to £20,000 (2016: £15,000 to £20,000) |
| Andrew Ellis (staff governor) | |
| Remuneration | £45,000 to £50,000 (2016: £45,000 to £50,000) |
| Employer's Pension Contributions | £5,000 to £10,000 (2016: £5,000 to £10,000) |
| Ed Carpenter (staff governor) | |
| Remuneration | £30,000 to £35,000 (2016: £30,000 to £35,000) |
| Employer's Pension Contributions | Less than £5,000 (2016: Less than £5,000) |

The Headteacher is accruing retirement benefits under the Teachers Pensions Scheme and contributions paid in the year amounted to £15,940 (2016: £15,401).

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 £7,866 to the Teachers' Pension Scheme (2016: £7,780) and £4,568 to the Local Government Pension scheme (2016: £4,190).

During the year ended 31 August 2017, travel and subsistence expenses totalling £171 (2016: £192) were reimbursed to 2 governors (2016: 3). 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 £1,000,000 (2016: £5,000,000) on any one claim and the cost for the year ended 31 August 2017 was £681 (2016: £1,536).

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 2017

11 Tangible Fixed Assets

| Cost | Land & Buildings £ | Furniture & Equipment £ | Computer Hardware £ | Motor vehicles £ | Assets Under Construction £ | Total £ |
|----------------------|--------------------------|-------------------------------|---------------------------|------------------------|-----------------------------------|-------------------|
| At 1 September 2016 | 17,925,978 | 305,786 | 848,931 | 10,840 | - | 19,091,535 |
| Additions | - | 6,625 | 193,364 | - | 17,448 | 217,437 |
| Disposals | - | - | - | - | - | - |
| At 31 August 2017 | <u>17,925,978</u> | <u>312,411</u> | <u>1,042,295</u> | <u>10,840</u> | <u>17,448</u> | <u>19,308,972</u> |
| Depreciation | | | | | | |
| At 1 September 2016 | 1,146,567 | 106,668 | 505,263 | 10,840 | - | 1,769,338 |
| Charged in year | 286,950 | 30,650 | 127,262 | - | - | 444,862 |
| Disposals | - | - | - | - | - | - |
| At 31 August 2017 | <u>1,433,517</u> | <u>137,318</u> | <u>632,525</u> | <u>10,840</u> | <u>-</u> | <u>2,214,200</u> |
| Net book values | | | | | | |
| As at 31 August 2016 | <u>16,779,411</u> | <u>199,118</u> | <u>343,668</u> | <u>-</u> | <u>-</u> | <u>17,322,197</u> |
| As at 31 August 2017 | <u>16,492,461</u> | <u>175,093</u> | <u>409,770</u> | <u>-</u> | <u>17,448</u> | <u>17,094,772</u> |

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

| | 2017 £ | 2016 £ |
|----------------------------------------------------------|----------------|----------------|
| 12 Stock | | |
| Catering | 6,809 | 5,125 |
| | <u>6,809</u> | <u>5,125</u> |
| 13 Debtors | 2017 £ | 2016 £ |
| Trade debtors | 5,499 | 11,569 |
| VAT recoverable | 66,283 | 109,953 |
| Other debtors | 5,839 | 7,676 |
| Prepayments and accrued income | <u>137,244</u> | <u>116,750</u> |
| | <u>214,865</u> | <u>245,948</u> |
| 14 Creditors: Amounts falling due within one year | 2017 £ | 2016 £ |
| Trade creditors | 282,754 | 369,712 |
| Other taxation and social security | 126,277 | 125,973 |
| Other creditors | 262,851 | 213,348 |
| Accruals and deferred income | <u>146,487</u> | <u>108,255</u> |
| | <u>818,369</u> | <u>817,288</u> |
| Deferred income | 2017 £ | 2016 £ |
| Income deferred at 1 September 2016 | 45,680 | 66,289 |
| Released from previous years | (45,680) | (66,289) |
| Resources deferred in the year | <u>63,981</u> | <u>45,680</u> |
| Income deferred at 31 August 2017 | <u>63,981</u> | <u>45,680</u> |

At the balance sheet date the Academy Trust was holding funds received in advance for educational visits and activities booked for the 2017/18 school year of £31,810 (2016: £4,286), music tuition fees for the 2017/18 school year of £nil (2016: £3,460), rates relief received in advance from the ESFA relating to the 2017/18 academic year of £27,131 (2016: £27,107), a grant for the completion of a Film Project in the 2017/18 school year of £nil (2016: £10,827) and Future Quest funding relating to the 2017/18 academic year of £5,040 (2016: £nil).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

15 Funds

| | 1 September 2016 £ | Incoming Resources £ | Resources Expended £ | Gains, Losses and Transfers £ | Balance at 31 August 2017 £ |
|-----------------------------------------------------------|--------------------------|----------------------------|----------------------------|----------------------------------------|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) (excluding pension reserve) | 4,775 | 7,597,837 | (7,735,180) | (182,185) | (314,753) |
| Pension reserve | (3,588,000) | - | (331,000) | 265,000 | (3,654,000) |
| General Annual Grant (GAG) | (3,583,225) | 7,597,837 | (8,066,180) | 82,815 | (3,968,753) |
| Pupil Premium | 352,826 | 348,260 | (297,767) | - | 403,319 |
| Other DfE/ESFA Grants | 148,464 | 74,461 | (50,890) | (3,600) | 168,435 |
| Other Government Grants | 454,951 | 41,452 | (38,492) | - | 457,911 |
| Other trading activities | 173,891 | 205,358 | (197,326) | - | 181,923 |
| | (2,453,093) | 8,267,368 | (8,650,655) | 79,215 | (2,757,165) |
| Restricted fixed asset funds | | | | | |
| Assets inherited from Local Authority | 16,771,289 | - | (296,076) | - | 16,475,213 |
| DfE/ESFA capital grants | 144,558 | 31,652 | (23,726) | 3,600 | 156,084 |
| Capital expenditure from GAG | 299,332 | - | (80,192) | 182,185 | 401,325 |
| Local Authority Grants | 107,018 | - | (44,868) | - | 62,150 |
| | 17,322,197 | 31,652 | (444,862) | 185,785 | 17,094,772 |
| Total restricted funds | 14,869,104 | 8,299,020 | (9,095,517) | 265,000 | 14,337,607 |
| Unrestricted funds | 613,964 | 297,527 | (143,081) | - | 768,410 |
| Total unrestricted funds | 613,964 | 297,527 | (143,081) | - | 768,410 |
| Total funds | 15,483,068 | 8,596,547 | (9,238,598) | 265,000 | 15,106,017 |

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

Other grants include funding for statemented support and Year 7 Catch Up funding. This income is restricted based on the requirements of the specific grant 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 2017.

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

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

The transfer of £185,785 (2016: £242,210) between the restricted general fund and the restricted fixed asset fund increases the value of the fixed asset fund to adjust for capital income in the year being less than capital spend on fixed assets, with the shortfall being funded by a transfer from the restricted general fund.

The balance on the restricted general fund (excluding pension reserve) plus the balance on the unrestricted fund at 31 August 2017 is a surplus of £1,665,245 (2016: £1,748,871).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

15 Funds (continued)

Movement in funds during 12 months to 31 August 2016 for comparative purposes:

| | 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 |

16 Analysis of Net Assets between funds

Fund balances at 31 August 2017 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total funds £ |
|--------------------------|----------------------------|-------------------------------------|--------------------------------------------|---------------------|
| Tangible fixed assets | - | - | 17,094,772 | 17,094,772 |
| Current assets | 768,410 | 1,715,204 | - | 2,483,614 |
| Current liabilities | - | (818,369) | - | (818,369) |
| Pension scheme liability | - | (3,654,000) | - | (3,654,000) |
| Total net assets | 768,410 | (2,757,165) | 17,094,772 | 15,106,017 |

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

17 Capital Commitments

At 31 August 2017 the Academy Trust had no capital commitments.

18 Commitments under operating leases

Operating Leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | 2016 £ |
|----------------------------------------|---------------|---------------|
| Amounts due within one year | 17,972 | 17,972 |
| Amounts due between one and five years | 2,607 | 20,579 |
| | <u>20,579</u> | <u>38,551</u> |

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

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

| | Total 2017 £ | Total 2016 £ |
|-------------------------------------------------------------------------------------------|--------------------|--------------------|
| Net (expenditure) for the reporting period (as per the statement of financial activities) | (642,051) | (433,841) |
| Adjusted for: | | |
| Depreciation (note 11) | 444,862 | 453,955 |
| Capital grants from DfE and other capital income | (31,652) | (29,121) |
| Interest receivable (note 5) | (3,851) | (5,843) |
| Defined benefit pension scheme cost less contributions payable (note 24) | 251,000 | 73,000 |
| Defined benefit pension scheme finance cost (note 24) | 80,000 | 80,000 |
| (Increase)/ decrease in stocks | (1,684) | 4,060 |
| (Increase)/ decrease in debtors | 31,083 | (33,219) |
| Increase/ (decrease) in creditors | (37,417) | 141,786 |
| Net Cash provided by / (used in) Operating Activities | 90,290 | 250,777 |

20 Cash flows from investing activities

| | | |
|--------------------------------------------------------------|------------------|------------------|
| Interest received | 3,851 | 5,843 |
| Purchase of tangible fixed assets | (178,939) | (223,939) |
| Capital Grants from DfE/ESFA | 31,652 | 29,121 |
| Net cash (used in) / provided by investing activities | (143,436) | (188,975) |

21 Analysis of cash and cash equivalents

| | At 31 August 2017 | At 31 August 2016 |
|----------------------------------------|-------------------------|-------------------------|
| Cash in hand and at bank | 2,261,940 | 2,315,086 |
| Total cash and cash equivalents | 2,261,940 | 2,315,086 |

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 2016.

Contributions amounting to £104,733 (2016: £103,326) were payable to the schemes at 31 August 2017 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

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)

- 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £572,735 (2016: £578,237)

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 2017 was £390,000 (2016: £363,000), of which employer's contributions totalled £293,000 (2016: £269,000) and employees' contributions totalled £97,000 (2016: £94,000). The agreed contribution rates for future years are 14.2% for employers from 2017/18, rising to 15% from 2019/20 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 2017 | At 31 August 2016 |
|----------------------------------------------------|-------------------------|-------------------------|
| Rate of increase in salaries | 3.7% | 3.3% |
| Rate of increase for pensions in payment/inflation | 2.2% | 1.9% |
| Discount rate for scheme liabilities | 2.5% | 2.1% |
| Inflation assumption (CPI) | 2.2% | 1.8% |
| Commutation of pensions to lump sums | 50.00% | 50.00% |

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

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 2017 | At 31 August 2016 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 23.5 | 23.5 |
| Females | 26.0 | 26.0 |
| <i>Retiring in 20 years</i> | | |
| Males | 26.0 | 25.9 |
| Females | 28.7 | 28.9 |

Sensitivity Analysis

| | At 31 August 2017 £000 | At 31 August 2016 £000 |
|----------------------------------------|---------------------------------|---------------------------------|
| Discount rate +0.1% | 146 | 131 |
| Mortality assumption – 1 year increase | (110) | (97) |
| CPI rate +0.1% | (149) | (135) |

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|-------------------------------------|-----------------------------------------|-----------------------------------------|
| Equities | 1,311,000 | 1,046,000 |
| Government Bonds | 297,000 | 253,000 |
| Other bonds | 204,000 | 199,000 |
| Property | 233,000 | 201,000 |
| Cash/liquidity | 95,000 | (10,000) |
| Other | 509,000 | 384,000 |
| Total market value of assets | 2,649,000 | 2,073,000 |

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 £200,000 (2016: £253,000).

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

24 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

| | 2017 £ | 2016 £ |
|------------------------------------------------------|-----------|-----------|
| Current service cost (net of employee contributions) | 544,000 | 342,000 |
| Net interest cost | 72,000 | 74,000 |
| Administration expenses | 8,000 | 6,000 |
| Total operating charge | 624,000 | 422,000 |

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

| | 2017 £ | 2016 £ |
|-------------------------|-----------|-----------|
| At 1 September | 5,661,000 | 3,480,000 |
| Current service cost | 544,000 | 342,000 |
| Interest cost | 119,000 | 141,000 |
| Employee contributions | 97,000 | 94,000 |
| Actuarial (gain) / loss | (96,000) | 1,643,000 |
| Benefits paid | (22,000) | (39,000) |
| At 31 August | 6,303,000 | 5,661,000 |

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

| | 2017 £ | 2016 £ |
|-------------------------|-----------|-----------|
| At 1 September | 2,073,000 | 1,502,000 |
| Interest income | 47,000 | 67,000 |
| Actuarial loss | 169,000 | 186,000 |
| Administration expenses | (8,000) | (6,000) |
| Employer contributions | 293,000 | 269,000 |
| Employee contributions | 97,000 | 94,000 |
| Benefits paid | (22,000) | (39,000) |
| At 31 August | 2,649,000 | 2,073,000 |

The estimated value of employer contributions for the year ended 31 August 2018 is £309,000.

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.

Cotham School

Notes to the Financial Statements (continued)

For the year ended 31 August 2017

26 Agency Arrangements

The Academy Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £40,150 (2016:£40,238) and disbursed £37,033 (2016: £21,410). The Academy Trust retained a beneficial interest in individual transactions such that £1,887 (2016:£1,892) has been recognised in income and expenditure in the statement of financial activities.

This leaves an amount of £1,230 (2016: £16,936) 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 £50,259 (2016: £49,029).

**Independent Reporting Accountant's Assurance Report on Regularity to Cotham School and the
Education and Skills Funding Agency**

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 30 November 2016 and further to the requirements of the Education and Skills Funding Agency (the 'ESFA') as included in the Academies: Accounts Direction 2016 to 2017, we have carried out an engagement to obtain assurance about whether the expenditure disbursed and income received by Cotham School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Cotham School in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion

Responsibilities of Cotham School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cotham School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook extant from 1 September 2016, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Governors (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Cotham School and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2016/17.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

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

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 the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion guidance in regularity' in Academies Accounts Direction 2016 to 2017.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

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

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: *19 December 2017*