

Company Registration Number: 07692339 (England & Wales)

COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**COTSWOLD BEACON ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	M Evans A McConaighie S Hudson N Riglar A King J Vickers (resigned 17 February 2017)
Trustees	N Riglar, Chair of Trustees ¹ J Gilbert, Vice Chair ¹ S Wilson, Chief Executive ¹ G Ayre ¹ J Bonham H Cerullo, Vice Chair (appointed 1 September 2016) E Gray, Financial Director (appointed 1 September 2016) D Marklove (appointed 1 September 2016) ¹ N Wolstenholme (appointed 1 September 2016) ¹ ¹ Finance and Resources Committee
Company registered number	07692339
Company name	Cotswold Beacon Academy Trust
Principal and registered office	Cainscross Road Stroud Gloucestershire GL5 4HE
Company secretary	E Gray
Accounting officer	S Wilson
Executive Team	S Wilson, CEO E Gray, Financial Director D Marklove, Lead Primary Headteacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	HSBC Bank Plc 4 King Street Stroud Gloucestershire GL5 3DS
Solicitors	Stone King Solicitors LLP 13 Queen Square Bath BA1 2HJ

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and Auditors' Report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates as a Multi Academy Trust with two schools during the financial year ending 31 August 2017; Marling School, an academy for pupils aged 11 to 18 in Stroud, drawing students from the local area as well as wider Gloucestershire, South Gloucestershire and Wiltshire and Bristol. It has a pupil capacity of 960 and had a roll of 972 in the school census for summer term 2017, and Berkeley Primary School, an academy for pupils aged 4 to 11 in Berkeley, Gloucestershire. It has a pupil capacity of 190 and had a roll of 191 in the school summer term 2017. Berkeley Primary School also runs a Nursery School for pupils aged 2 to 4 and had a roll of 30.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Cotswold Beacon Academy Trust ('the Trust') are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cotswold Beacon Academy Trust.

Details of the Trustees 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 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 they ceased to be a member.

Trustees' Indemnities

In accordance with normal practice both Academies are members of the ESFA Risk Protection Arrangement which includes indemnities to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The RPA provides cover up to £5,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 September 2016 the Members appointed Trustees serving as Directors and Governors from both schools on a skills based basis. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re election or replacement process.

The Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 10 Trustees who are appointed by Members
- The Chief Executive Officer
- The Finance Director
- A minimum of 2 Parent Trustees who are elected by parents of registered pupils at an Academy of the Trust, in the event that no Local Governing Bodies are established or if no provision is made for at least 2 Parent Local Governors on an established Local Governing Body

**COTSWOLD BEACON ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer or Finance Director. Subject to remaining eligible to be a particular type of Trustee, any Trustees can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are not many new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

In addition to the Local Governing Bodies who meet at least 4 times per year there are 3 sub committees of each Local Governing Body as follows;

- Finance & Resources Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from Internal Assurance and drafting the annual budget including setting staffing levels. It also deals with all matters relating to staffing structure, staff issues and the health, safety and welfare of staff.
- The Pay and Conditions Committee is a sub committee of the Finance & Resources Committee and meets twice a year to consider teaching staff and support staff salaries.
- Community & Standards Committee - this meets at least three times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting, teaching and learning, assessment, examinations and all pastoral issues. It also looks at premises and site issues and monitors Health & Safety and IT Network development.

In addition, there are 2 further sub committees of Marling School:

- The Build Committee is also a sub committee of the Finance & Resources Committee meeting at least as necessary to monitor and report of the capital building taking place.
- Admissions Committee which meets twice a year and additionally as required to deal with all matters relating to admissions.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive and Clerk to the Trustees.

**COTSWOLD BEACON ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees are responsible for setting general policy, adopting an annual Academy Trust Improvement Plan and budget, approving the statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and the staff structure.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the Executive Team (ET). The ET comprises the CEO, Finance Director and Lead Primary Headteacher. The ET implement the policies laid down by the Trustees and report back to them on performance. Key responsibilities for the CEO are outlined in the Scheme of Delegation.

During the year the Chief Executive was the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees has agreed pay and performance management policies for all staff and these are reviewed annually. The Board has also agreed to abide by the terms of the School Teachers Pay and Conditions Document when considering any pay decisions relating to teaching staff. A Pay Committee consisting of two Trustees, has delegated responsibility to consider the pay and performance of the Chief Executive and Finance Director.

Connected Organisations, including Related Party Relationships

The Stroud and Rodborough Educational Charity is a related party as landowner of some of the land and buildings on the Marling School site.

Marling School has strong collaborative links with Stroud High School for Girls in managing and teaching a joint sixth form, sharing the ownership of land and sharing buildings and facilities.

Marling School is supported by the Marling School Parent Staff Association. Berkeley Primary School is supported by Berkeley Primary School Parent Teachers Association.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, managing and developing our schools so that they deliver an outstanding education for all

The Cotswold Beacon Academy Trust (CBAT) vision is to develop a thriving partnership of schools that work together to generate and celebrate success and to create opportunities for our students and staff that raise aspirations and inspire excellence.

Schools in the Trust are committed to:

- Creating opportunities that raise aspirations and inspire excellence in students and staff
- Promoting high levels of personal development and well-being in our students
- Forming a distinctive partnership of schools that value their uniqueness and collegiality
- High quality leadership and teaching, with a highly creative curriculum
- Maintaining a relentless focus on high standards and excellent outcomes for our students
- Creating opportunities for staff development to enable us to recruit, develop and retain the very best teachers and leaders
- Innovating together for the benefit of our students and staff
- Fostering relationships where autonomy and accountability go hand in hand
- Creating a strong, financially resilient organisation that achieves efficiency savings for mutual benefit allowing us to focus resources on teaching and learning.

**COTSWOLD BEACON ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

Key priorities for the year are contained in our Trust Strategic Plan which is available from the CBAT office. Priorities are identified under the following headings:

Learning, teaching and assessment

- Develop accountability structures for reviewing outcomes, areas for improvement, improvement plans and accuracy of self-evaluation
- Support initial teacher training provision to academies through Cotswold Edge Teaching Alliance school direct
- Increase involvement of MAT primary students in outreach offer
- To ensure high quality continued professional development is available to staff within MAT schools
- Undertake an audit of leadership skills and expertise across the MAT to identify strengths, areas for development and future leaders
- Work towards building a centralised team for special educational needs and disability support

Develop financial and operational strength

- Centralised costs analysed and budgets created
- Increase efficiency savings through centralised services
- Establish business and operational systems to meet the needs of all academies
- Fully Implement the Scheme of Delegation to meet the needs of all academies
- Statutory policies are in place for each academy and start development of trust-wide policies
- Take a trust-wide approach to staffing and recruitment

Community

- Establish a brand and develop websites and prospectuses for the MAT and school
- Ensure CBAT website reflects the vision and ethos of the trust and is up to date
- To agree CBAT publicity plan and share our vision widely
- Bid for additional funds to improve facilities for students and staff
- Identify potential CBAT partners and promote the trust
- Identify opportunity for free schools and bid where appropriate
- Build relationships with wider stakeholders with an interest in school development/ improvement

STRATEGIC REPORT

Achievements and Performance

The Multi Academy Trust has completed its first year of operation. Student recruitment is good across the MAT including the Nursery and Sixth Form. Attendance and feedback at open events has been very positive.

Results this summer across the MAT were very positive. At Key Stage 2 100% of pupils met expected standard in Mathematics, 72% in Reading and 66% in Writing reflecting positive progress in all three. The score for % achieving expected progress in Reading, Writing and Mathematics was 56% which is an 8% increase on 2016.

At GCSE, the grades remained strong with 51% of all grades at A*-C or 9-7 and 96% of grades at A*-C or 9-4; both figures were up on the previous year and we are anticipating a strong Progress 8 figure. At A level, results were also very positive with 12% A* grades, 58% A*-B grades and a pass rate of 99%. These numbers represent a similar %A* figure but a small drop at %A*-B compared to last year but within the context of new A levels and a programme of study that removes compulsory AS levels.

To ensure that standards are continually assessed, the Trust operates a programme of lesson observations as part of performance appraisal (PA) and oversight. Additionally there are many peer observations that take place to support staff professional development.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

This year saw the completion of the £1million Creative Arts Block at Marling School and ongoing premises development planning across the Trust.

Continued professional development of staff remains an important part of the Trust's work and there are increasing requests for support for other schools. Marling School leads the Cotswold Edge Teaching Alliance which comprising five secondary schools, five primary schools and the University of Bristol.

The Trust is exploring a number of routes to expansion. We are in discussion with the DfE about sponsoring a 2-form entry junior school in special measures. If this takes place, conversion will be in February 2018. At the same time trustees are soon to decide whether they wish to submit a bid for a new primary and secondary school for Cheltenham.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention the amount of carry forward is restricted to 12%. In period under review, the full GAG allocation was spent.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016/17 were 1,193 which is slightly up for both Academies on the previous year. For 2017/18 numbers look to be much higher as a result of an increase in PAN, strong sixth form recruitment and an increase in the nursery school places available.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive, managers, budget holders and other staff, as well as delegated authority for spending.

Trustees have adopted an Internal Assurance Policy and appointed Mr Muir Mathieson, an appropriately qualified parent volunteer, to undertake a programme of internal assurance checks on financial controls. During the year, the Trustees received Internal Assurance reports which contained no matters of significance.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

During the year ended 31 August 2017, total expenditure of £5,524,239 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,101,138. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfer on conversion) was £423,101.

At 31 August 2017 the net book value of fixed assets was £16,225,431 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Reserves Policy

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

The Trustees have determined that the appropriate level of free cash reserves should be approximately £200,000 - £300,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £212,020.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 93% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Whilst the Trust Academies are over subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for pupil premium students and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. The Trust is also adversely affected by being situated in one of the lowest funded education authorities which continues to affect its GAG funding.

At the year end, the Trust had no significant liabilities arising from trade creditors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**COTSWOLD BEACON ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Failures in governance and/or management

The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational

The ongoing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Trust has appointed an Internal Assurance Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Board meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its students at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Trust Improvement Plan, which is available on our website or from the Clerk to the Governors.

**COTSWOLD BEACON ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

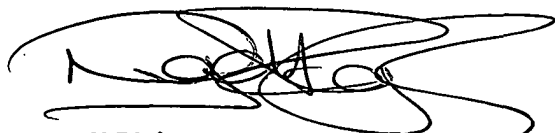
AUDITORS

In so far as the Trustees are aware:

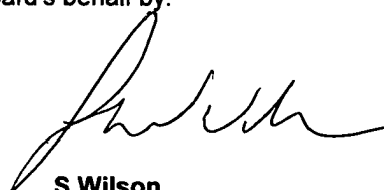
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Trustees' Report, incorporating a Strategic Report, approved by order of the Board of Trustees, as company directors, on 7-12-17 and signed on the board's behalf by:



**N Riglar
Chair of Trustees**



**S Wilson
Accounting Officer**

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Cotswold Beacon Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Riglar, Chair of Trustees	5	5
J Gilbert, Vice Chair	4	5
S Wilson, Chief Executive	5	5
G Ayre	3	5
J Bonham	4	5
H Cerullo, Vice Chair	4	5
E Gray, Financial Director	5	5
D Marklove	5	5
N Wolstenholme	5	5

The main Board of Trustees includes the functions of an audit committee.

The Trustees are highly aspirational, and recognise that setting for and delivering against the highest aspirations can only be possible when schools are founded on a solid bedrock of statutory and regulatory organisation. To that end, they have outstanding policies, processes and systems in place to ensure safeguarding, to prevent any form of discrimination, and to ensure each pupil receives the individual support and assistance necessary to fulfil their full potential.

Trustees are clear on their responsibility to ensure the Academies deliver the very best opportunity for all students, regardless of extraneous factors. Whilst the 'pupil premium' is currently only applicable to a small cohort in the Academies, they are committed to ensuring that this is directly targeted at resolving those particular students individual vulnerabilities in as discrete and sensitive manner as possible. The outcomes for all at the Academies are closely aligned and Trustees routinely express their determination to close down what few gaps emerge.

Induction and training for new Trustees is encouraged and readily available.

Finances are kept under close scrutiny by each Academy's Finance & Resources Committees and as a Trust we are subject to external audit.

The Finance & Resources Committees are sub committees of the Local Governing Bodies. Their purpose is:

- To ensure sound management of their academy's finances and resources, including proper planning, monitoring and probity.
- To assess central funding and to assess implications for their academy.
- To consider and recommend the budget at the start of each financial year.
- To contribute to the formulation of the school development plan through the consideration of financial priorities and proposals.

**COTSWOLD BEACON ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year.
- To regularly monitor and review expenditure and ensure compliance with the overall financial plan for their academy.
- To keep under review the financial implications of the employment rights of staff relative to the National Terms and Conditions.
- To prepare the Trustees report to the audit and recommend acceptance to the Local Governing Body.
- To receive the auditors reports and to recommend actions as appropriate to the Local Governing Body.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Improving Educational Results

Staff at the Trust have worked hard to ensure that teaching and learning is effective for all students. To support teaching, a strong system is in place for tracking student progress and achievement coupled with a programme of early and appropriate intervention. We have ensured that resources are directed where they are most needed to meet education requirements and raise individual levels of attainment, including 'Focus' and 'Inspire' programmes, targeted revision sessions during holiday periods and our mentoring programmes.

The Trust deploys equipment, materials and services to provide students and staff with resources that support the quality of teaching and learning and provide an educational environment that promotes learning and recreation.

Financial Governance

The Trust closely follows its Financial Handbook guidelines on achieving best value (available on the Trust website). Governors and Trustees apply the four principles of best value; challenge, comparison, consultation and competition, in their review of the Trust expenditure. Budget holders are responsible for ensuring value for money within their area of responsibility. Annual budgets are based on a review of previous year's expenditure and department requests which are also reviewed to ensure these meet the needs of the Trust and its students.

Income generation

The Trust continues to generate income from letting out the school premises and we believe the community, as well as our students, benefit from the wide range of activities that can be offered via external providers. Lettings income provides a valuable source of income that is used primarily to maintain the premises but also to support the Trust's academic activities.

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 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 Cotswold Beacon Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**COTSWOLD BEACON ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 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 Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed M Mathieson, a suitably qualified parent volunteer, as Internal Assurance Officer (IA Officer).

The IA Officer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the IA Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The IA Officer has delivered his schedule of work, following the IA checklist in three detailed reviews of the financial processes during the period of 1 September 2016 to 31 August 2017 including:

- Testing of payroll systems
- Testing of purchasing systems including capital
- Testing of income processes
- Testing of control account/bank reconciliations

No material control issues have been identified. The IA Officer is also available to give advice throughout the period.

REVIEW OF EFFECTIVENESS

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

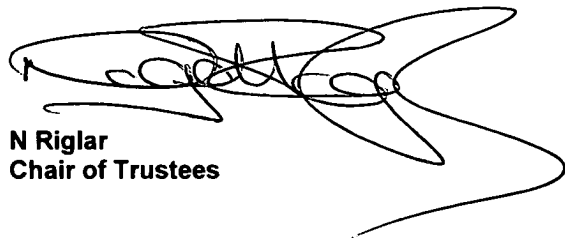
- the work of the Internal Assurance Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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 Resources Committees and a plan to ensure continuous improvement of the system is in place.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 7/12/2017 and signed on their behalf, by:



N Riglar
Chair of Trustees



S Wilson
Accounting Officer

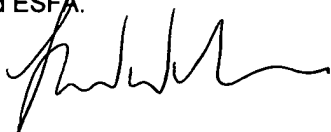
**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cotswold Beacon Academy Trust 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.



**S Wilson
Accounting Officer**

7/12/2017

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Cotswold Beacon Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' 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:

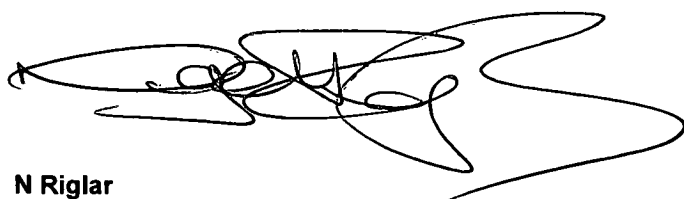
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**N Riglar
Chair of Trustees**

Date: 7/12/2017

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COTSWOLD BEACON ACADEMY TRUST**

OPINION

We have audited the financial statements of Cotswold Beacon 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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COTSWOLD BEACON ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Academy Trust'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 Trustees either intend to liquidate the Academy Trust or to cease operations; or have no realistic alternative but to do so.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COTSWOLD BEACON ACADEMY TRUST**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: 14/12/17

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COTSWOLD
BEACON ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cotswold Beacon Academy Trust during the year 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.

This report is made solely to Cotswold Beacon Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cotswold Beacon Academy Trust 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 Cotswold Beacon Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF COTSWOLD BEACON ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Cotswold Beacon Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 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.

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 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 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.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COTSWOLD
BEACON ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Joseph Scaife FCA DChA (Reporting Accountant)

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

Date: 14/12/17.

COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	193,601	(405,000)	2,463,788	2,252,389	-
Other donations and capital grants	2	6,745	99,169	25,876	131,790	1,257,815
Charitable activities	3	270,383	4,628,943	-	4,899,326	4,268,584
Other trading activities	4	94,488	-	-	94,488	62,246
Investments	5	1,410	-	-	1,410	710
TOTAL INCOME		566,627	4,323,112	2,489,664	7,379,403	5,589,355
EXPENDITURE ON:						
Raising funds		32,314	-	-	32,314	-
Charitable activities		577,712	4,914,213	340,734	5,832,659	4,705,212
TOTAL EXPENDITURE	6	610,026	4,914,213	340,734	5,864,973	4,705,212
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(43,399)	(591,101)	2,148,930	1,514,430	884,143
Transfers between Funds	20	-	18,408	(18,408)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(43,399)	(572,693)	2,130,522	1,514,430	884,143
Actuarial gains/(losses) on defined benefit pension schemes	25	-	273,000	-	273,000	(245,000)
NET MOVEMENT IN FUNDS		(43,399)	(299,693)	2,130,522	1,787,430	639,143
RECONCILIATION OF FUNDS:						
Total funds brought forward		319,218	(900,863)	14,050,539	13,468,894	12,829,751
TOTAL FUNDS CARRIED FORWARD		275,819	(1,200,556)	16,181,061	15,256,324	13,468,894

The notes on pages 24 to 49 form part of these financial statements.

COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07692339

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		16,225,431		12,960,109
CURRENT ASSETS					
Debtors	15	96,527		648,460	
Cash at bank and in hand		885,093		1,311,224	
		<u>981,620</u>		<u>1,959,684</u>	
CREDITORS: amounts falling due within one year	16	<u>(639,474)</u>		<u>(408,646)</u>	
NET CURRENT ASSETS			<u>342,146</u>		<u>1,551,038</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,567,577</u>		<u>14,511,147</u>
CREDITORS: amounts falling due after more than one year	17		<u>(37,253)</u>		<u>(37,253)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>16,530,324</u>		<u>14,473,894</u>
Defined benefit pension scheme liability	25	(1,274,000)		(1,005,000)	
NET ASSETS			<u><u>15,256,324</u></u>		<u><u>13,468,894</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	20	73,444		104,137	
Fixed asset funds	20	16,181,061		14,050,539	
Restricted funds excluding pension liability		<u>16,254,505</u>		<u>14,154,676</u>	
Pension reserve		<u>(1,274,000)</u>		<u>(1,005,000)</u>	
Total restricted funds			<u>14,980,505</u>		<u>13,149,676</u>
Unrestricted funds	20		<u>275,819</u>		<u>319,218</u>
TOTAL FUNDS			<u><u>15,256,324</u></u>		<u><u>13,468,894</u></u>

The financial statements on pages 21 to 49 were approved by the Trustees, and authorised for issue, on 7/12/2017 and are signed on their behalf, by:

N Riglar
Chair of Trustees

The notes on pages 24 to 49 form part of these financial statements.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	27	(144,280)	249,381
Cash flows from investing activities:			
Interest received		1,410	273
Purchase of tangible fixed assets		(1,112,386)	(501,771)
Capital grants from DfE/ESFA		609,572	558,828
Cash transferred on conversion		219,553	-
Net cash (used in)/provided by investing activities		(281,851)	57,330
Cash flows from financing activities:			
Cash inflows from new borrowing		-	39,737
Net cash provided by financing activities		-	39,737
Change in cash and cash equivalents in the year		(426,131)	346,448
Cash and cash equivalents brought forward		1,311,224	964,776
Cash and cash equivalents carried forward	28	885,093	1,311,224

The notes on pages 24 to 49 form part of these financial statements.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cotswold Beacon Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 Academy Trust 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.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised 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 are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

1.5 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 on raising funds 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.

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

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	50 years straight line
Long term leasehold buildings	-	50 years straight line
Long term leasehold land	-	125 years straight line
Plant and machinery	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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 are measured at the best estimate of the amounts required to settle the obligation.

1.10 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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 instruments.

1.11 AGENCY ARRANGEMENTS

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

1.12 TAXATION

The Academy Trust 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.

1.13 LEASED ASSETS

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

**COTSWOLD BEACON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 25, 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 net income/expenditure 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy Trust 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 amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

Critical areas of judgment:

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

1.16 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Berkeley Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings have been included in the accounts at an estimation of their value at the date of conversion.

Pension assets and liabilities have been valued by Hymans Robertson LLP.

Further details of the transaction are set out in note 29.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer on conversion	193,601	(405,000)	2,463,788	2,252,389	-
Donations for trips and visits	-	99,169	-	99,169	105,247
Other donations	6,745	-	-	6,745	5,044
Bridges prize fund	-	-	-	-	5,000
Capital grants	-	-	25,876	25,876	1,142,524
Other donations and capital grants	6,745	99,169	25,876	131,790	1,257,815
	200,346	(305,831)	2,489,664	2,384,179	1,257,815
<i>Total 2016</i>	83,262	32,029	1,142,524	1,257,815	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	4,435,105	4,435,105	3,753,388
Start up Grants	-	-	-	25,000
Other DfE/ESFA grants	-	147,877	147,877	147,672
	-	4,582,982	4,582,982	3,926,060
Other Government grants				
High Needs	-	26,211	26,211	15,861
Nursery income funded	39,529	-	39,529	-
	39,529	26,211	65,740	15,861
Other funding				
Internal catering income	16,175	-	16,175	2,299
Income for hosting trainee teachers	8,500	-	8,500	440
Trips and visits income	172,431	-	172,431	304,051
Other income and grants received	16,238	19,750	35,988	19,873
Nursery income unfunded/fee paying	17,510	-	17,510	-
	230,854	19,750	250,604	326,663
	270,383	4,628,943	4,899,326	4,268,584
<i>Total 2016</i>	310,751	3,957,833	4,268,584	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	54,913	-	54,913	42,790
External catering	13,428	-	13,428	18,051
Consultancy	-	-	-	1,405
Fees received	26,147	-	26,147	-
	94,488	-	94,488	62,246
<i>Total 2016</i>	62,246	-	62,246	

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NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,410	-	1,410	710
<i>Total 2016</i>	710	-	710	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	31,636	-	678	32,314	-
Education					
Direct costs	3,447,195	287,987	493,644	4,228,826	3,473,616
Support costs	884,197	332,477	387,159	1,603,833	1,231,596
	4,363,028	620,464	881,481	5,864,973	4,705,212
<i>Total 2016</i>	3,328,307	485,259	891,646	4,705,212	

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	4,000	3,000
Educational supplies	195,051	147,128
Examination fees	115,682	88,291
Trips and visits expenditure	162,625	297,553
Supply teachers	12,249	5,849
Wages and salaries	2,701,828	2,125,065
National insurance	264,398	191,891
Pension cost	468,720	355,702
Depreciation	304,273	259,137
	4,228,826	3,473,616
<i>Total 2016</i>	3,473,616	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	26,000	24,000
Educational supplies	15,312	17,422
Staff development	14,612	8,368
Recruitment and support	6,595	7,018
Maintenance of premises and equipment	71,020	78,165
Cleaning	16,798	11,191
Rent and rates	38,653	28,388
Energy costs	108,863	82,388
Insurance	40,835	37,823
Security and transport	22,635	13,458
Catering	77,568	34,141
Technology costs	53,453	82,491
Office overheads	99,298	55,070
Legal and professional	9,605	12,849
Bank interest and charges	1,046	287
Governance	29,531	24,779
Wages and salaries	606,712	488,259
National insurance	43,399	32,818
Pension cost	234,086	128,723
Depreciation	87,812	63,958
	<u>1,603,833</u>	<u>1,231,596</u>
<i>Total 2016</i>	<u>1,231,596</u>	

9. NET INCOME/EXPENDITURE FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	392,085	323,095
Auditors' remuneration - audit	10,000	8,250
Auditors' remuneration - non-audit	2,905	1,955
Operating lease rentals	<u>15,500</u>	<u>18,562</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,331,744	2,613,324
Social security costs	308,943	224,709
Operating costs of defined benefit pension schemes	709,342	484,425
	<u>4,350,029</u>	<u>3,322,458</u>
Apprenticeship levy	750	-
Supply teacher costs	12,249	5,849
	<u><u>4,363,028</u></u>	<u><u>3,328,307</u></u>

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

	2017 No.	2016 No.
Management	9	7
Teachers	69	50
Support	144	56
	<u>222</u>	<u>113</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Management	9	7
Teachers	56	45
Support	48	32
	<u>113</u>	<u>84</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Executive 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 £267,481 (2016: £473,352).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Financial services;
- human resources;
- strategic management staff salaries;
- legal, audit and governance;
- school improvement planning; and
- brand development, website and prospectus production

The Academy Trust charges for these services on the following basis:

5% of GAG funding

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Marling School	187,358	-
Berkeley Primary School	32,851	-
Total	<u>220,209</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration, including pension contributions in the year was as follows; S Wilson: Remuneration £95,000 - £100,000 (2016: £90,000 - £95,000), Employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £20,000), E Gray: Remuneration £45,000 - £50,000 (2016: £Nil), Employer's pension contributions £10,000 - £15,000 (2016: £Nil) and D Marklove: Remuneration £55,000 - £60,000 (2016: £Nil), Employer's pension contributions £5,000 - £10,000 (2016: £Nil).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £465 (2016: £1,270) were reimbursed to 1 Trustee (2016: 1).

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long term leasehold land and buildings £	Plant and machinery £	Motor vehicles, fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 September 2016	3,215,276	10,519,738	35,409	65,522	295,101	14,131,046
Additions	1,025,828	99,990	7,607	3,290	56,904	1,193,619
Transfer on conversion	-	2,463,788	-	-	-	2,463,788
At 31 August 2017	<u>4,241,104</u>	<u>13,083,516</u>	<u>43,016</u>	<u>68,812</u>	<u>352,005</u>	<u>17,788,453</u>
DEPRECIATION						
At 1 September 2016	243,845	654,722	20,682	57,103	194,585	1,170,937
Charge for the year	75,063	244,513	6,453	5,262	60,794	392,085
At 31 August 2017	<u>318,908</u>	<u>899,235</u>	<u>27,135</u>	<u>62,365</u>	<u>255,379</u>	<u>1,563,022</u>
NET BOOK VALUE						
At 31 August 2017	<u>3,922,196</u>	<u>12,184,281</u>	<u>15,881</u>	<u>6,447</u>	<u>96,626</u>	<u>16,225,431</u>
At 31 August 2016	<u>2,971,431</u>	<u>9,865,016</u>	<u>14,727</u>	<u>8,419</u>	<u>100,516</u>	<u>12,960,109</u>

Included in freehold land and buildings is freehold land at valuation of £489,064 (2016: £489,064) which is not depreciated.

Included in long term leasehold land and buildings are costs of £99,090 (2016: £26,440) in relation to assets under construction. These costs are depreciated once brought in to use.

15. DEBTORS

	2017 £	2016 £
VAT recoverable	14,506	3,257
Other debtors	24,595	18,243
Prepayments and accrued income	57,426	626,960
	<u>96,527</u>	<u>648,460</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
ESFA loans	2,484	2,484
Trade creditors	192,940	60,500
Other taxation and social security	70,173	61,933
Other creditors	156,487	141,148
Accruals and deferred income	217,390	142,581
	<u>639,474</u>	<u>408,646</u>
	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September	103,028	203,169
Resources deferred during the year	170,117	103,028
Amounts released from previous years	(103,028)	(203,169)
	<u>170,117</u>	<u>103,028</u>

At the Balance Sheet date the Academy was holding funds received in advance for trips booked for the 2017/18 academic year and ESFA grants received in advance.

17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
ESFA loans	<u>37,253</u>	<u>37,253</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	2017 £	2016 £
Repayable by instalments	<u>17,385</u>	<u>17,385</u>

Included within ESFA loans is a Condition Improvement Fund (CIF) loan of £39,737 repayable in six-monthly instalments over 8 years with an applicable annual interest rate of 0%.

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NOTES TO THE FINANCIAL STATEMENTS
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18. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>930,742</u>	<u>1,923,621</u>
Financial liabilities measured at amortised cost	<u>(279,950)</u>	<u>(112,215)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, ESFA loan and accruals.

19. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2016 the Academy received £29,502 and disbursed £22,773 from the fund. An amount of £72,473 is included in other creditors relating to undistributed funds that is repayable to ESFA.

COTSWOLD BEACON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	313,359	566,627	(558,675)	(109,291)	-	212,020
Unrestricted fixed assets	5,859	-	(51,351)	109,291	-	63,799
	<u>319,218</u>	<u>566,627</u>	<u>(610,026)</u>	<u>-</u>	<u>-</u>	<u>275,819</u>
RESTRICTED FUNDS						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	24,936	4,435,105	(4,440,417)	-	-	19,624
Universal Infant Free School Meals	-	32,994	(32,994)	-	-	-
PE and Sports Grant	-	8,785	(8,785)	-	-	-
High Needs	-	26,211	(26,211)	-	-	-
Pupil Premium	3,517	42,084	(45,601)	-	-	-
Council canal works repair income	25,000	-	-	-	-	25,000
ACMF- West block	-	-	(18,408)	18,408	-	-
Teaching school	-	64,014	(64,014)	-	-	-
Berkeley Start Up Grant	16,206	-	(5,707)	-	-	10,499
MAT sponsorship grant	20,975	-	(20,975)	-	-	-
Other restricted funds	13,503	118,919	(114,101)	-	-	18,321
Pension reserve	(1,005,000)	(405,000)	(137,000)	-	273,000	(1,274,000)
	<u>(900,863)</u>	<u>4,323,112</u>	<u>(4,914,213)</u>	<u>18,408</u>	<u>273,000</u>	<u>(1,200,556)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	8,611,720	2,463,788	(209,951)	-	-	10,865,557
Fixed assets purchased from GAG and other restricted funds	23,447	-	(13,851)	-	-	9,596
DfE/ESFA Capital grants	30,089	25,876	(14,989)	-	-	40,976
Local Authority Capital grants	3,571	-	(3,571)	-	-	-
ACMF - Science block	598,192	-	(12,336)	-	-	585,856
ACMF- West block	3,630,670	-	(64,103)	(18,408)	-	3,548,159
CIF - Electrical works	28,838	-	(566)	-	-	28,272
CIF - Creative arts block	964,474	-	(20,084)	-	-	944,390
CIF - Changing rooms	158,255	-	-	-	-	158,255
Other restricted fixed assets funds	1,283	-	(1,283)	-	-	-
	<u>14,050,539</u>	<u>2,489,664</u>	<u>(340,734)</u>	<u>(18,408)</u>	<u>-</u>	<u>16,181,061</u>
Total restricted funds	<u>13,149,676</u>	<u>6,812,776</u>	<u>(5,254,947)</u>	<u>-</u>	<u>273,000</u>	<u>14,980,505</u>
Total of funds	<u>13,468,894</u>	<u>7,379,403</u>	<u>(5,864,973)</u>	<u>-</u>	<u>273,000</u>	<u>15,256,324</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	283,576	456,969	(421,327)	-	-	319,218
	<u>283,576</u>	<u>456,969</u>	<u>(421,327)</u>	<u>-</u>	<u>-</u>	<u>319,218</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	3,090	3,753,388	(3,715,517)	(16,025)	-	24,936
High Needs	-	15,861	(15,861)	-	-	-
Pupil Premium	-	26,297	(22,780)	-	-	3,517
Council canal works repair income	25,000	-	-	-	-	25,000
Teaching school	169	56,000	(56,169)	-	-	-
Condition Improvement Fund (CIF) - Library	20,645	-	(20,645)	-	-	-
Start Up Grant - Berkeley School	-	25,000	(8,794)	-	-	16,206
Multi Academy Trust sponsorship grant	-	65,375	(44,400)	-	-	20,975
CIF - electrical works	-	-	(14,000)	14,000	-	-
Other restricted funds	10,322	47,941	(44,760)	-	-	13,503
Pension reserve	(710,000)	-	(50,000)	-	(245,000)	(1,005,000)
	<u>(650,774)</u>	<u>3,989,862</u>	<u>(3,992,926)</u>	<u>(2,025)</u>	<u>(245,000)</u>	<u>(900,863)</u>

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	8,776,306	-	(164,586)	-	-	8,611,720
Fixed assets purchased from GAG and other restricted funds	13,642	-	(6,220)	16,025	-	23,447
DfE/ESFA Capital grants	35,513	19,795	(25,219)	-	-	30,089
Local Authority Capital grants	6,564	-	(2,993)	-	-	3,571
ACMF - Science block	611,128	-	(12,936)	-	-	598,192
ACMF- West block	3,708,001	-	(77,331)	-	-	3,630,670
CIF - Electrical works	43,435	-	(597)	(14,000)	-	28,838
CIF - Creative arts block	-	964,474	-	-	-	964,474
CIF - Changing rooms	-	158,255	-	-	-	158,255
Other restricted fixed assets funds	2,360	-	(1,077)	-	-	1,283
	<u>13,196,949</u>	<u>1,142,524</u>	<u>(290,959)</u>	<u>2,025</u>	<u>-</u>	<u>14,050,539</u>
Total restricted funds	<u>12,546,175</u>	<u>5,132,386</u>	<u>(4,283,885)</u>	<u>-</u>	<u>(245,000)</u>	<u>13,149,676</u>
Total of funds	<u>12,829,751</u>	<u>5,589,355</u>	<u>(4,705,212)</u>	<u>-</u>	<u>(245,000)</u>	<u>13,468,894</u>

**COTSWOLD BEACON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education & Skills Funding Agency (ESFA) during the period in order to fund the continuing activities of the school.

Universal Infant Free School Meals (UIFSM) represents funding received from the ESFA fund for the provision of infant free school meals.

PE and Sports Grant represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils to encourage them to develop healthy lifestyles.

High Needs funding is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

Pupil Premium funding represents amounts received from the ESFA to cater for disadvantaged pupils.

Council canal works income represents the amount received from Stroud District Council for the replacement of the School's bridge, that was removed during the Council's canal works.

ACMF - West block represents funding received from the ESFA which was transferred from the restricted fixed asset fund to restricted funds during the year.

Teaching school fund represents amounts provided by the ESFA to outstanding schools to help build alliances with other schools to provide high quality training and development to new and experienced school staff.

Berkeley Start Up Grant represents one off funding received from the ESFA to contribute to the cost of converting Berkeley School from a school to an Academy, ready to become part of the Multi Academy Trust.

MAT sponsorship grant represents funding from the ESFA to assist with the introduction of Berkeley School, specifically the organisational structures, IT infrastructure and staffing costs.

Other restricted funds represents restricted donations received from charitable bodies and parents.

Pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Gloucestershire County Council on conversion to an Academy.

Fixed assets purchased from GAG represent amounts spent on fixed assets from the GAG funding received from the ESFA.

DfE/ESFA Capital grants represents devolved capital funding received for the period.

ACMF and CIF represents funding received from the ESFA for direct expenditure on fixed asset projects and is split by each project funded.

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20. STATEMENT OF FUNDS (continued)

Other restricted fixed asset funds represents capital grants that have been received from associations in Gloucestershire.

OTHER INFORMATION

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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Marling School	114,499	417,496
Berkeley Primary School	136,440	-
Cotswold Beacon Academy Trust	34,525	-
Unrestricted fixed assets	63,799	5,859
	<u>349,263</u>	<u>423,355</u>
Total before fixed asset fund and pension reserve	349,263	423,355
Restricted fixed asset fund	16,181,061	14,050,539
Pension reserve	(1,274,000)	(1,005,000)
	<u>15,256,324</u>	<u>13,468,894</u>
Total	<u>15,256,324</u>	<u>13,468,894</u>

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Marling School	2,789,763	657,934	163,908	635,035	4,246,640	4,332,117
Berkeley Primary School	582,249	124,774	31,143	145,540	883,706	-
Cotswold Beacon Academy Trust	60,206	41,102	-	104,234	205,542	-
	<u>3,432,218</u>	<u>823,810</u>	<u>195,051</u>	<u>884,809</u>	<u>5,335,888</u>	<u>4,332,117</u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	63,799	-	16,161,632	16,225,431
Current assets	350,391	461,600	169,629	981,620
Creditors due within one year	(138,371)	(388,156)	(112,947)	(639,474)
Creditors due in more than one year	-	-	(37,253)	(37,253)
Pension scheme liability	-	(1,274,000)	-	(1,274,000)
	<u>275,819</u>	<u>(1,200,556)</u>	<u>16,181,061</u>	<u>15,256,324</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	5,859	-	12,954,250	12,960,109
Current assets	407,641	386,786	1,165,257	1,959,684
Creditors due within one year	(94,282)	(282,649)	(31,715)	(408,646)
Creditors due in more than one year	-	-	(37,253)	(37,253)
Provisions for liabilities and charges	-	(1,005,000)	-	(1,005,000)
	<u>319,218</u>	<u>(900,863)</u>	<u>14,050,539</u>	<u>13,468,894</u>

22. 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.

23. GENERAL INFORMATION

Cotswold Beacon Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Cainscross Road, Stroud, Gloucestershire, GL5 4HE.

24. CAPITAL COMMITMENTS

At 31 August 2017 the Academy Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>1,910</u>	<u>36,490</u>

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25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £75,472 were payable to the schemes at 31 August 2017 (2016: £59,297) 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
- 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 £396,519 (2016: £338,810).

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

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25. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £250,000 (2016: £159,000), of which employer's contributions totalled £205,000 (2016: £127,000) and employees' contributions totalled £45,000 (2016: £32,000). The agreed contribution rates for future years are 25.2 - 28.8% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.4 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.0 years	24.4 years
Females	26.4 years	27.0 years

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25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,062,000	677,000
Bonds	280,000	141,000
Property	103,000	113,000
Cash and other liquid assets	30,000	9,000
Total market value of assets	<u>1,475,000</u>	<u>949,000</u>

The actual return on scheme assets was £28,000 (2016: £21,000).

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

	2017 £	2016 £
Current service cost	(312,000)	(150,000)
Interest income	23,000	27,000
Interest cost	(53,000)	(54,000)
Total	<u>(342,000)</u>	<u>(177,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,945,000	1,376,000
Interest cost	53,000	54,000
Current service cost	312,000	150,000
Contributions by scheme participants	45,000	32,000
Actuarial (gains)/losses	(98,000)	352,000
Benefits paid	(31,000)	(19,000)
Liability transferred on conversion	523,000	-
Closing defined benefit obligation	<u>2,749,000</u>	<u>1,945,000</u>

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25. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	940,000	666,000
Interest income	23,000	27,000
Actuarial losses	175,000	107,000
Employer contributions	205,000	127,000
Benefits paid	(31,000)	(19,000)
Employee contributions	45,000	32,000
Asset transferred on conversion	118,000	-
Closing fair value of scheme assets	<u>1,475,000</u>	<u>940,000</u>

26. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	15,745	14,765
Between 1 and 5 years	25,120	38,661
Total	<u>40,865</u>	<u>53,426</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	1,514,430	884,143
Adjustment for:		
Depreciation charges	392,085	323,095
Interest received	(1,410)	(273)
(Increase)/decrease in debtors	(31,763)	234,823
Increase/(decrease) in creditors	123,643	(99,883)
Capital grants from DfE and other capital income	(25,876)	(1,142,524)
Defined benefit pension scheme cost less contributions payable	107,000	23,000
Defined benefit pension scheme finance cost	30,000	27,000
Transfer on conversion	(2,252,389)	-
Net cash (used in)/provided by operating activities	<u>(144,280)</u>	<u>249,381</u>

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28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	885,093	1,311,224
	885,093	1,311,224

29. CONVERSION TO AN ACADEMY TRUST

On 1 September 2016 Berkeley Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cotswold Beacon Academy Trust from Gloucestershire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer on conversion

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	2,463,788	2,463,788
Budget surplus/(deficit) on LA funds	198,921	-	-	198,921
Budget surplus/(deficit) on other school funds	20,632	-	-	20,632
LGPS pension surplus/(deficit)	-	(405,000)	-	(405,000)
Other identified assets and liabilities	(25,952)	-	-	(25,952)
Net assets/(liabilities)	193,601	(405,000)	2,463,788	2,252,389

The above net assets include £219,553 that were transferred as cash.

30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.