

Cottesbrooke Infant and Nursery School

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2016**

Company Number: 08936173

**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**



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

**Report and Financial Statements
Year ended 31 August 2016**

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**Cottesbrooke Infant and Nursery School
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Reference and Administrative Details

Members	Keith Fenwick	(parent trustee, chair person from 02/11/15, appointed 02/11/15)
	Keith Jones	(community trustee, chair person until 02/11/15) appointed 12/03/14)
	Phil Halford	(community trustee, appointed 19/05/16)
	Sheila Halford	(community trustee, appointed 12/03/14)
	Amanda Millward	(community trustee, appointed 12/03/14)
	John O'Shea	(community trustee, appointed 19/05/16)

Trustees	Fiona Beardsley	(staff trustee, appointed 25/09/15)
	Suzanne Coles	(staff trustee, appointed 19/03/15)
	Alison Everitt	(community trustee, appointed 01/04/15)
	Keith Fenwick*	(parent trustee, appointed 01/09/15)
	Phil Halford*	(community trustee, appointed 01/04/14)
	Sheila Halford	(community trustee, appointed 12/03/14)
	Keith Jones*	(community trustee, appointed 12/03/14)
	Sally Jones	(staff trustee, appointed 01/04/15)
	Irfan Khan*	(parent trustee, appointed 01/04/14)
	Shazia Khan	(parent trustee, appointed 29/06/15)
	Shazia Khan-Hussain*	(community trustee, appointed 01/04/14, resigned 08/07/16)
	Shahida Khanam	(parent trustee, appointed 01/04/14)
	William Loughlin*	(staff trustee, appointed 12/03/14)
	Amanda Millward*	(community trustee, appointed 12/03/14)
	John O'Shea*	(community trustee, appointed 19/03/14)
	Ruth Watts	(community trustee, appointed 01/04/14, resigned 07/01/16)
*members of finance committee		

Senior management team

• Head Teacher	William Loughlin
• Deputy Head Teacher	Fiona Beardsley
• Teacher	Susan Boobyer
• Teacher	Juliet Krouwel
• Teacher	Louise Smith

Company name Cottesbrooke Infant and Nursery School

Principal and registered office
Yardley Road
Acocks Green
Birmingham B1 2LS

Company registration no. 08936173

Independent auditor
Feltons
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Bankers
Lloyds Bank Plc
114-116 Colmore Row
Birmingham B3 3BD

Solicitors
Gateley Plc
One Eleven
Edmund Street
Birmingham B3 2HJ

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

Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The trust operates an academy for pupils aged three to seven serving a catchment area in Acocks Green. It has a pupil capacity of 270 and 39 full time equivalent nursery class places and had a roll of 294 in the school census on 6 October 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Cottesbrooke Infant and Nursery School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cottesbrooke Infant and Nursery School.

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

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

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

Staff Trustee positions are advertised internally and if there is more than one candidate there is a vote.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Trustees' report (continued)

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

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

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

Organisational structure

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

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

The written terms of reference of the Finance and Staffing committee includes the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Governing Body fully recognise their duties in terms of financial and risk management. They ensure that third party internal control checks take place during the financial year to help monitor this.

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

Arrangements for setting pay and remuneration of key management personnel

Head Teacher performance management committee decide upon the pay and remuneration of the Head Teacher. Other key management personnel have performance management targets set and meetings with the Head Teacher and his recommendations are approved by the Finance & Staffing committee.

Related parties and other Connected Charities and Organisations

Trustees' related parties and other connected charities and organisations are all documented on their pecuniary interest forms which are reviewed to ensure sound governance and transparency. The Academy publishes its relevant business and pecuniary interest of local governors on its website.

Objectives and activities

Objects and aims

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

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

Objectives, strategies and activities

The main objectives for the year are:

1. To raise pupil achievement and standards throughout the school
2. To continue to improve the quality of teaching, learning and assessment throughout the school

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Trustees' report (continued)

3. To continue to develop the quality of leadership and management across the school
4. To promote behaviour and welfare of children including attendance

The strategies adopted for achieving these objectives are covered in detail in the school development plan which can be found on the school website

Significant activities linked to the trust's charitable activities:

The children take part in various fundraising events throughout the year to raise money for charities such as Children in Need, Marie Curie, Poppy Appeal, international disasters etc.

We feel that there is also a need locally for support so we have become a dropping off point for the Acocks Green Foodbank. The collection point is in the main school entrance.

Public benefit

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

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

Strategic Report

Achievements and Performance

Since becoming an academy, Cottesbrooke Infant and Nursery School has taken a wide range of steps to ensure that the education standards for all its children have continued to improve. The school is proud to be inclusive, catering for children with significant barriers to learning who, while making good progress, affect the statistics of the whole school results. The school has focussed on improvement linked to the school development plan to ensure a positive impact on outcomes for children. These were;

To raise pupil achievement and standards across the school

- Children for whom the school receives additional funding through Pupil Premium generally achieve better than their peers and better than similar children nationally. This is because of careful targeting and monitoring of these children.
- Children at the end of Early Years Foundation Stage achieve in line with national results from low attainment on entry. Children in KS1 made good progress from their starting points.
- The school employs extra staff to provide targeted intervention for its children in maths, English, science and social/emotional needs. This is in addition to quality first wave teaching and is targeted for those children identified as not making the expected progress, as identified by regular pupil progress reviews and those disadvantaged children that the school gains extra funding for via Pupil Premium.
- Extra staffing is provided for children on the SEN register to target their needs specifically, either in small groups or on a one to one basis.
- The school employs a sports coach to specifically target children's health and fitness throughout the school as part of the Sports Premium funding.

To continue to improve the quality of teaching, learning and assessment throughout the school

- Monitoring shows that the vast majority of teaching is good or better. Outstanding teaching has increased as have outstanding elements in good lessons.
- Work scrutiny and learning walks have been used to measure the quality of teaching throughout school. They show a good level of progress and quality work throughout the school. Teachers have been given individual feedback and this is being fed into whole school data tracking. Lesson observations have changed to empower the staff. They now highlight where they think they are as teachers so that practice moves toward outstanding

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Trustees' report (continued)

- Staff continue to have the opportunity to video and then watch the footage afterwards in order to evaluate and improve using a system called Iris. Staff feel that it has improved their practice and progress has been shown in an increase in outstanding elements in lessons.
- The deputy head teacher continues to support Newly Qualified Teachers through a programme of support including coaching and mentoring and she has begun to develop a continuing professional development programme to support post NQTs and all staff which includes observation and shadowing.
- The Target Tracker assessment system has become embedded this year and staff are using it to target gaps in children's understanding and attainment.

To continue to develop the quality of leadership and management across the school

- The school continues to form links with and work with a variety of other settings to improve our own practice and develop and support theirs. Part of this has been the Birmingham Education Partnership peer to peer review process.
- Teacher's performance management targets continue to be directly related to pupil progress.
- The quality of teaching and learning was monitored through the use of a variety of strategies including scrutiny of work, observations and learning walks and underperformance was dealt with as appropriate.
- Subject leaders initiated whole school initiatives linked to their subjects and presented their findings to the governors in the form of a written report. A number of governors have met with their buddies throughout the year and members of SLT have presented to governors on matters such as safeguarding and pupil premium.
- The governing body has changed this year through the new chair and vice chair of Governors who have both attended Chair of Governors training. A number of governors have attended various governor training and fed back in order to strengthen practice on the governing body.

To promote behaviour and welfare of children including attendance

- Safeguarding has remained high on the agenda with the role of the Inclusion Leader including the additional role of DSL and the formation of the safeguarding team who meet fortnightly to discuss cases and share the workload of the referrals made by staff. The inclusion leader has also worked with the SMSC leader and new PSHE leader to map out the curriculum including British values and protective behaviours.
- Pupil voice has been heard through a variety of sources. The school council meets regularly led by the school Senior Learning Mentor and Senior Management Team have interviewed children termly and the curriculum governors had an opportunity to discuss the school with selected children at a Curriculum Governors meeting in the summer term.
- The school has worked hard to improve overall attendance and the final attendance figure for 2015/16 was 95.2%. This has increased from the 14/15 figure of 95.1%.

Key Performance Indicators

- Ofsted rating: Good
- End of EYFS results: 65% GLD
- End of KS1 results: 55% combined Reading, Writing, Maths
- Pupil attendance: 95.2%
- Direct costs as a percentage of total costs were 65.4% (2015: 69.5%)
- Support costs as a percentage of total costs were 34.6% (2015: 29.7%)
- Total payroll costs as a percentage of recurring income were 84.9% (2015: 75.4%)

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Trustees' report (continued)

Going concern

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

Financial Review

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

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

During the year ended 31 August 2016 total resources expended were £1,882,344 and the surplus of expenditure over income was £40,998 which included depreciation of £77,020.

Reserves Policy

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

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes and to help try to protect the academy from continually increasing pension liabilities placed upon it.

The Academy had total funds at 31 August 2016 of £680,527 which included £149,237 restricted funds not available for general purposes of the Academy Trust, £298,227 of free reserves defined as unrestricted funds available for general purposes and £2,671,063 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £3,118,527.

In addition, the deficit on the restricted pension fund of £2,438,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Budgeted expenditure for 2016/17 is £1,681,768.

Investment Policy

Some surplus funds are invested with in savings accounts covered by the FSCS limit of £75,000. These investments are carried out in accordance with the powers vested in the Governing Body and the academy's Treasury Management Policy.

Principal Risks and Uncertainties

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

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

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Trustees' report (continued)

The main financial risks identified by the academy are as follows:

- growing pension costs from an increasing pension deficit liability
- reduced funding based on dropping pupil numbers, particularly within the nursery due to additional competition for places locally.

Plan for Future Periods

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

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Trustees' report (continued)

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2016 and signed on the board's behalf by:

.....  Keith Fenwick - Chair of Trustees

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Governance statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cottesbrooke Infant and Nursery School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meeting attended	Out of a possible
Fiona Beardsley	4	5
Suzanne Coles	3	5
Alison Everitt	4	5
Keith Fenwick	5	5
Phil Halford	5	5
Sheila Halford	5	5
Keith Jones	3	5
Sally Jones	5	5
Irfan Khan	5	5
Shazia Khan	2	5
Shazia Khan-Hussain	3	4
Shahida Khanam	2	5
William Loughlin	5	5
Amanda Millward	5	5
John O'Shea	4	5
Ruth Watts	0	2

A review of governance was undertaken during the year which found that although there were many experienced, knowledgeable governors on the board of trustees, some governors were quite inexperienced and required support and training.

Subsequent to this the following actions were taken:

- Training was given to governors with them attending various courses to address the relevant skills gaps.
- Opportunities were given to governors to attend governor meetings at other settings in order to speed up their development.

The trust is conducted its next self-evaluation in October 2016.

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Governance statement (continued)

The **finance committee** is a sub-committee of the main board of trustees. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meeting attended	Out of a possible
Phil Halford	3	4
Keith Jones	2	4
Irfan Khan	2	4
Shazia Khan-Hussain	2	4
William Loughlin	4	4
Amanda Millward	1	4
John O'Shea	3	4

Review of value for money

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

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

- Robust management of the attendance procedure has led to a great improvement in staff attendance. This in turn has led to the expenditure on agency staff sickness cover being massively reduced, to the point that it was less than half of the previous year's expenditure.
- The school seconded a senior member of staff out to other schools and the local authority. Utilising their experience and high-level knowledge enabled the school to bring in a good level of income which was then reinvested into specific areas.
- Surplus funds were invested into some high interest accounts, in line with the school's Treasury Management Policy. This helped to maximise return without risking the school's reserves.

The Purpose of the System of Internal Control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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Governance statement (continued)

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have engaged a third party to conduct annual internal control audits to accompany the external audit. The internal control reviews have been positive with no material control issues arising.

His/her role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On an annual basis, the Chief Financial Officer reports to the board of trustees, through the finance and staffing committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, Mr W Loughlin (the Head Teacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

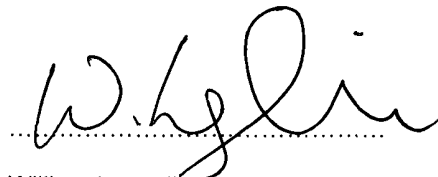
- the work of the internal control auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 5 December 2016 and signed on its behalf by:



Keith Fenwick
Chair of Trustees



William Loughlin
Accounting Officer

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Statement of regularity, propriety and compliance

As accounting officer of Cottesbrooke Infant and Nursery School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State 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 the EFA.



William Loughlin – Accounting Officer

5 December 2016

**Cottesbrooke Infant and Nursery School
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Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 5 December 2016 and signed on its behalf by:

 Keith Fenwick – Chair of Trustees

**Cottesbrooke Infant and Nursery School
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**Independent Auditor's Report on the Financial Statements to the Members of
Cottesbrooke Infant and Nursery School**

We have audited the financial statements of Cottesbrooke Infant and Nursery School (A Company Limited by Guarantee) for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities (set out on page 13), the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

06 December 2016

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

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

In accordance with the terms of our engagement letter dated 12 February 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Cottesbrooke Infants and Nursery School Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Cottesbrooke Infant and Nursery School Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

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

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

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

Conclusion

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



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

06 December 2016

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

Statement of financial activities for the year ended 31 August 2016
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £	17 months to 31/8/15 £
Income from :							
Donations and capital grants	2	931	-	-	7,546	8,477	15,093
Transfer from local authority on conversion		-	-	-	-	-	1,919,635
Funding for the academy trust's educational operations	3	102,302	-	1,729,096	-	1,831,398	2,503,797
Investments	4	1,471	-	-	-	1,471	573
Total		104,704	-	1,729,096	7,546	1,841,346	4,439,098
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	5	87,698	22,000	1,695,626	77,020	1,882,344	2,444,432
Other costs on conversion		-	-	-	-	-	9,141
Total		87,698	22,000	1,695,626	77,020	1,882,344	2,453,573
Net income/(expenditure) before transfers		17,006	(22,000)	33,470	(69,474)	(40,998)	1,985,525
Transfers between funds	13	-	-	745	(745)	-	-
Net income/(expenditure) after transfers		17,006	(22,000)	34,215	(70,219)	(40,998)	1,985,525
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	13, 20	-	(1,024,000)	-	-	(1,024,000)	(240,000)
Net movement in funds		17,006	(1,046,000)	34,215	(70,219)	(1,064,998)	1,745,525
Reconciliation of funds							
Total funds brought forward	13	273,104	(1,392,000)	123,139	2,741,282	1,745,525	-
Total funds carried forward		290,110	(2,438,000)	157,354	2,671,063	680,527	1,745,525

All of the Academy's activities derive from continuing operations during the above two financial periods.

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

Company number : 08936173

Balance sheet as at 31 August 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	10		2,671,063		2,741,282
Current assets					
Debtors	11	63,791		73,377	
Cash at bank and in hand		<u>621,268</u>		<u>550,336</u>	
		685,059		623,713	
Liabilities					
Creditors: amounts falling due within one year	12	<u>237,595</u>		<u>227,470</u>	
Net current assets			447,464		396,243
Total assets less current liabilities			<u>3,118,527</u>		<u>3,137,525</u>
Defined benefit pension scheme liability	20		(2,438,000)		(1,392,000)
Total net assets			<u><u>680,527</u></u>		<u><u>1,745,525</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	2,671,063		2,741,282	
General fund	13	157,354		123,139	
Pension reserve	13	<u>(2,438,000)</u>		<u>(1,392,000)</u>	
Total restricted funds			390,417		1,472,421
Unrestricted income funds	13		290,110		273,104
Total funds			<u><u>680,527</u></u>		<u><u>1,745,525</u></u>

The financial statements on pages 18 to 38 were approved by the trustees, and authorised for issue on 5 December 2016 and are signed on their behalf by:



Keith Fenwick - Chair of Trustees

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

Statement of cash flows for the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	16	68,716	586,651
Cash flows from investing activities	17	2,216	(36,315)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		70,932	550,336
Cash and cash equivalents at 1 September 2015	18	550,336	-
Cash and cash equivalents at 31 August 2016		<hr/> 621,268	<hr/> 550,336

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

Notes to the financial statements for the year ended 31 August 2016

1. Statement of accounting policies

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cottesbrooke Infant and Nursery School meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **Grants (continued)**

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**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

- **Expenditure on raising funds**

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

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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

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

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

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

Debtors

Operational and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

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

Taxation

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

Pension benefits

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

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 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

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

Fund accounting

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Critical accounting estimates and areas of judgement

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

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	17 months to 31/8/15 £
Capital grants	-	-	7,546	7,546	14,941
Other donations	931	-	-	931	152
	<u>931</u>	<u>-</u>	<u>7,546</u>	<u>8,477</u>	<u>15,093</u>
 2015 total	 <u>152</u>	 <u>-</u>	 <u>14,941</u>	 <u>15,093</u>	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	17 months to 31/8/15 £
DfE/EFA grants					
General Annual Grant (GAG)	-	1,242,803	-	1,242,803	1,754,026
Other DfE/EFA grants	-	235,126	-	235,126	272,439
	<u>-</u>	<u>1,477,929</u>	<u>-</u>	<u>1,477,929</u>	<u>2,026,465</u>
Other government grants					
Local authority grants	-	251,167	-	251,167	347,072
	<u>-</u>	<u>251,167</u>	<u>-</u>	<u>251,167</u>	<u>347,072</u>
 Other income from the academy trust's educational operations	 102,302	 -	 -	 102,302	 130,260
	<u>102,302</u>	<u>251,167</u>	<u>-</u>	<u>353,469</u>	<u>477,332</u>
	<u>102,302</u>	<u>1,729,096</u>	<u>-</u>	<u>1,831,398</u>	<u>2,503,797</u>
 2015 total	 <u>130,260</u>	 <u>2,373,537</u>	 <u>-</u>	 <u>2,503,797</u>	

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

4. Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	17 months to 31/8/15 £
Short term deposits	1,471	-	1,471	573
2015 total	573	-	573	

5. Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2016 £	17 months to 31/8/15 £
Academy's educational operations					
Direct costs	1,156,285	21,118	53,334	1,230,737	1,647,063
Allocated support costs	311,265	141,831	198,511	651,607	797,369
	<u>1,467,550</u>	<u>162,949</u>	<u>251,845</u>	<u>1,882,344</u>	<u>2,444,432</u>
2015 total	1,898,596	222,671	323,165	2,444,432	

Net incoming/(outgoing) resources for the year include :

		Total 2016 £	17 months to 31/8/15 £
Operating leases	- other	2,286	3,596
Depreciation		77,020	100,341
Fees payable to auditor	- audit	<u>6,630</u>	<u>6,500</u>

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2016 £	17 months to 31/8/15 £
Educational operations					
Direct costs	38,712	-	1,192,025	1,230,737	1,647,063
Support costs	48,986	22,000	580,621	651,607	797,369
	<u>87,698</u>	<u>22,000</u>	<u>1,772,646</u>	<u>1,882,344</u>	<u>2,444,432</u>
2015 total	<u>92,722</u>	<u>40,000</u>	<u>2,311,710</u>	<u>2,444,432</u>	
Analysis of support costs					
Support staff	48,632	22,000	240,633	311,265	344,108
Depreciation	-	-	55,902	55,902	72,829
Technology costs	-	-	24,389	24,389	35,129
Premises costs	354	-	85,575	85,929	122,330
Other support costs	-	-	166,492	166,492	211,482
Governance costs	-	-	7,630	7,630	11,491
Total support costs	<u>48,986</u>	<u>22,000</u>	<u>580,621</u>	<u>651,607</u>	<u>797,369</u>
2015 total	<u>68,157</u>	<u>40,000</u>	<u>682,212</u>	<u>790,369</u>	

7. Staff

a) Staff costs

Staff costs during the period were:

	Total 2016 £	17 months to 31/8/15 £
Wages and salaries	1,064,653	1,420,398
Social security costs	76,523	89,350
Operating costs of defined benefit pension schemes	279,472	279,059
	<u>1,420,648</u>	<u>1,788,807</u>
Supply staff costs	46,902	100,289
Staff restructuring costs	-	9,500
	<u>1,467,550</u>	<u>1,898,596</u>

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

7. Staff (continued)

	Total 2016 £	Total 2015 £
Staff restructuring costs comprise :		
Other restructuring costs	-	9,500
	-	9,500

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015 : £9,500).

c) Staff numbers

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

	2016 Number	2015 Number
Charitable activities		
Teachers	15	14
Administration and support	45	48
Management	2	2
	62	64

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £307,806 (2015: £458,974).

8. Related Party Transactions - Trustees' remuneration and expenses

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

The value of trustees' remuneration and other benefits was as follows :

<i>William Loughlin (principal and trustee)</i>	
Remuneration	£55,000 - £60,000 (2015 : £75,000 - £80,000)
Employer's pension contributions paid	£5,000 - £10,000 (2015 : £10,000 - £15,000)
 <i>Fiona Beardsley (staff trustee from 25/9/15)</i>	
Remuneration	£45,000 - £50,000 (2015 : £nil)
Employer's pension contributions paid	£5,000 - £10,000 (2015 : £nil)

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

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

Sally Jones (staff trustee)	
Remuneration	£20,000 - £25,000 (2015 : £25,000- £30,000)
Employer's pension contributions paid	£nil - £5,000 (2015 : £5,000 - £10,000)
Alison Everitt (staff trustee left 4/11/2015)	
Remuneration	£nil - £5,000 (2015 : £25,000 - £30,000)
Employer's pension contributions paid	£nil - £5,000 (2015 : £nil - £5,000)
Suzanne Coles (staff trustee)	
Remuneration	£20,000 - £25,000 (2015 : £25,000 - £30,000)
Employer's pension contributions paid	£nil - £5,000 (2015 : £5,000 - £10,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £75 (2015 : £nil) were reimbursed or paid directly to one (2015 : nil) trustee.

9. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £724 (2015 : £703). The cost of this insurance is included in the total insurance cost.

10. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2015	2,758,830	52,634	30,159	2,841,623
Additions	-	3,724	3,077	6,801
At 31 August 2016	<u>2,758,830</u>	<u>56,358</u>	<u>33,236</u>	<u>2,848,424</u>
Depreciation				
At 1 September 2015	78,167	11,119	11,055	100,341
Charge for the year	55,177	10,850	10,993	77,020
At 31 August 2016	<u>133,344</u>	<u>21,969</u>	<u>22,048</u>	<u>177,361</u>
Net book values				
At 31 August 2016	<u>2,625,486</u>	<u>34,389</u>	<u>11,188</u>	<u>2,671,063</u>
At 31 August 2015	<u>2,680,663</u>	<u>41,515</u>	<u>19,104</u>	<u>2,741,282</u>

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Notes to the financial statements for the year ended 31 August 2016 (continued)

10. Tangible fixed assets (continued)

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

Cost or valuation at 31 August 2016 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2014	2,758,830	17,354	13,610	2,789,794
Cost	-	39,004	19,626	58,630
	<u>2,758,830</u>	<u>56,358</u>	<u>33,236</u>	<u>2,848,424</u>

11. Debtors

	Total 2016 £	Total 2015 £
Debtors from operations	7,442	17,045
VAT recoverable	6,544	6,828
Prepayments and accrued income	49,805	49,504
	<u>63,791</u>	<u>73,377</u>

12. Creditors

	Total 2016 £	Total 2015 £
Amounts falling due within one year :		
Creditors from operations	27,353	31,216
Accruals and deferred income	101,746	94,947
Other creditors	108,496	101,307
	<u>237,595</u>	<u>227,470</u>
Deferred income		
Deferred income at 1 September 2015	47,925	-
Resources deferred in the year	49,454	47,925
Amounts released from previous years	(47,925)	-
Deferred income at 31 August 2016	<u>49,454</u>	<u>47,925</u>

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

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Notes to the financial statements for the year ended 31 August 2016 (continued)

13. Funds

	Balance at 31 August 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	123,139	1,242,803	(1,209,333)	745	157,354
Other DfE/EFA grants	-	235,126	(235,126)	-	-
Other grants	-	251,167	(251,167)	-	-
	<u>123,139</u>	<u>1,729,096</u>	<u>(1,695,626)</u>	<u>745</u>	<u>157,354</u>
Restricted fixed asset funds					
Transfer on conversion	2,700,283	-	(63,185)	-	2,637,098
DfE/EFA capital grants	7,885	7,546	(3,613)	(745)	11,073
Capital expenditure from GAG	33,114	-	(10,222)	-	22,892
	<u>2,741,282</u>	<u>7,546</u>	<u>(77,020)</u>	<u>(745)</u>	<u>2,671,063</u>
Pension reserve	<u>(1,392,000)</u>	<u>-</u>	<u>(22,000)</u>	<u>(1,024,000)</u>	<u>(2,438,000)</u>
Total restricted funds	<u>1,472,421</u>	<u>1,736,642</u>	<u>(1,794,646)</u>	<u>(1,024,000)</u>	<u>390,417</u>
Unrestricted funds					
Other income	273,104	104,704	(87,698)	-	290,110
Total unrestricted funds	<u>273,104</u>	<u>104,704</u>	<u>(87,698)</u>	<u>-</u>	<u>290,110</u>
Total funds	<u>1,745,525</u>	<u>1,841,346</u>	<u>(1,882,344)</u>	<u>(1,024,000)</u>	<u>680,527</u>

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

Restricted general funds

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

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

Unrestricted funds

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

Restricted fixed asset funds

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

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Notes to the financial statements for the year ended 31 August 2016 (continued)

14. Analysis of net assets between funds

Fund balances at 31 August 2016
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,671,063	2,671,063
Current assets	290,110	-	394,949	-	685,059
Current liabilities	-	-	(237,595)	-	(237,595)
	290,110	-	157,354	2,671,063	3,118,527
Pension scheme liability	-	(2,438,000)	-	-	(2,438,000)
Total net assets	290,110	(2,438,000)	157,354	2,671,063	680,527

15. Commitments under operating leases

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

	Total 2016	Other Total 2015
	£	£
Amounts due within one year	1,952	2,697
Amounts due between one and five years	7,320	-
	<u>9,272</u>	<u>2,697</u>

**16. Reconciliation of net income/(expenditure) to net cash flow
from operating activities**

	Total 2016	17 months to 31/8/15
	£	£
Net income/(expenditure) for reporting period (as per the SoFA on page 18)	(40,998)	1,985,525
Depreciation (note 10)	77,020	100,341
Capital grants from EFA and other capital income	(7,546)	(14,941)
Assets transferred on conversion to academy trust	-	(2,789,794)
Interest receivable (note 4)	(1,471)	(573)
Defined benefit pension scheme obligation inherited	-	1,105,000
Defined benefit pension scheme cost less contributions payable	(30,000)	(26,000)
Defined benefit pension scheme finance cost/(income) (note 20)	52,000	73,000
Decrease / (increase) in debtors	9,586	(73,377)
Increase / (decrease) in creditors	10,125	227,470
Net cash provided by / (used in) operating activities	<u>68,716</u>	<u>586,651</u>

**Cottesbrooke Infant and Nursery School
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Notes to the financial statements for the year ended 31 August 2016 (continued)

17. Cash flows from investing activities

	Total 2016 £	17 months to 31/8/15 £
Interest received	1,471	573
Purchase of tangible fixed assets	(6,801)	(51,829)
Capital grants from DfE/EFA	7,546	14,941
Net cash provided by / (used in) investing activities	2,216	(36,315)

18. Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	621,268	550,336
	621,268	550,336

19. Member's liability

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

20. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

**Cottesbrooke Infant and Nursery School
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Notes to the financial statements for the year ended 31 August 2016 (continued)

20. Pension and similar obligations (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £79,109 (2015 : £87,718).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £97,765 (2015 : £183,700), of which employer's contributions totalled £73,762 (2015 : £151,340) and employees' contributions totalled £24,003 (2015 : £32,360). The agreed contribution rates for future years are 18% for employers and between 5.5% and 6.5% for employees.

**Cottesbrooke Infant and Nursery School
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Notes to the financial statements for the year ended 31 August 2016 (continued)

20. Pension and similar obligations (continued)

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 32 years.

Principal actuarial assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.75%	4.15%
Rate of increase for pensions in payment / inflation	2.00%	2.40%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.00%	2.40%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	3,092	2,996	3,176	3,171
Projected service cost	210	203	217	215
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	3,092	3,191	3,011	3,015
Projected service cost	210	217	204	205

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28.0

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Notes to the financial statements for the year ended 31 August 2016 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	388,000	229,000
Government bonds	45,000	28,000
Other bonds	56,000	38,000
Property	52,000	32,000
Cash/liquidity	42,000	19,000
Other	71,000	35,000
Total market value of assets	654,000	381,000

The actual return on scheme assets was £91,000 (2015 : £474,000).

	2016 £	2015 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	128,000	140,000
Net interest cost	52,000	73,000
Administration expenses	-	-
Total operating charge	180,000	213,000

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

	2016 £	2015 £
At 1 September 2015	1,773,000	-
At date of conversion	-	1,258,000
Current service cost	128,000	140,000
Interest cost	71,000	89,000
Change in financial assumptions	1,096,000	254,000
Estimated benefits paid net of transfers in	-	-
Contributions by Scheme participants and other employers	24,000	32,000
At 31 August 2016	3,092,000	1,773,000

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Notes to the financial statements for the year ended 31 August 2016 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016	2015
	£	£
At 1 September 2015	381,000	-
At date of conversion	-	153,000
Interest on assets	19,000	16,000
Return on assets less interest	72,000	14,000
Administrative expenses	-	-
Employer contributions	158,000	166,000
Employee contributions	-	-
Benefits paid	24,000	32,000
At 31 August 2016	<u>654,000</u>	<u>381,000</u>
 Net pension scheme liability	 <u>(2,438,000)</u>	 <u>(1,392,000)</u>

21. Related party transactions

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

No related party transactions took place in the period of account other than trustees' remuneration and expenses already disclosed in note 8.

22. Explanation of transition to FRS 102

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

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015.