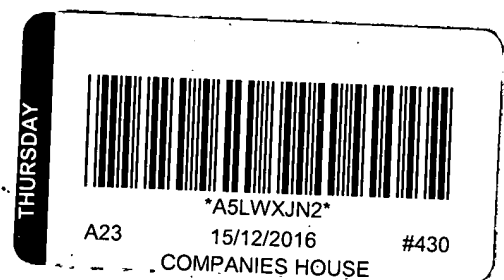


The Cotswold School Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Accounting period ending 31 August 2016



Company Registration Number:
07338767 (England and Wales)

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The Cotswold School Academy Trust

Reference and Administrative Details

Members

Mrs A Everitt (Chair)
Mr R Hadley (Vice Chair)
Lady M Dunrossil (Vice Chair)

Trustees

Ms L Baker
Mrs K Ellison (appointed 18/01/16)
Dr R Emsley
Mr D Hanson
Mrs C Lock
Mr M MacMorland (appointed 19/01/16)
Mr M Read (resigned 09/10/15)
Mr A Parker (appointed 30/11/15)
Miss C Roffe
Mrs K Scott (appointed 07/09/15)
Miss C Taplin (appointed 26/01/16)
Dr H Warren
Mrs L Cartledge (resigned 01/10/15)
Mr C Dry (resigned 03/01/16)

Mr W Morgan (Principal and Accounting Officer)
Mr B Edwards (Staff Trustee) (Resigned 30/01/16)
Mrs K Williams (Staff Trustee)

Senior Management Team

Principal
Vice principal
Vice principal
Assistant principal
Assistant principal
Assistant principal
Assistant principal
Assistant principal
Assistant principal

Mr W Morgan
Mr C Edwards (Associate Governor)
Mr P White (Associate Governor)
Mrs C Grover
Mrs F Hudson (Clerk)
Mr S Smith
Mr B Edwards
Dr M Scantlebury
Ms G Littler

Finance

Chief Financial Officer

Mrs V Turner (Associate Governor) (Resigned 31/08/16)

Company Name

The Cotswold School Academy Trust

Principal and Registered Office

The Avenue, Bourton-on-the-Water,
Gloucestershire GL54 2BD

Company Registration Number

07338767 (England and Wales)

Independent Auditor

Crowe Clark Whitehill LLP
Carrick House, Lypiatt Road
Cheltenham, GL50 2QJ

Bankers

Lloyds Bank PLC, High Street, Moreton in Marsh
Gloucestershire, GL56 0AY

Solicitors

Kendall & Davies Ltd, Cheltenham House,
The Square, Stow-on-the-Wold, GL54 1AB

The Cotswold School Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in south Gloucestershire. It has a pupil capacity of 1,237 and had a roll of 1,345 in the school census of October 2016.

Structure, Governance and Management

Constitution

The Cotswold School Academy Trust was established on 6 August 2010 as a company limited by guarantee and an exempt charity, and converted to Academy status on 6 September 2010. The Charitable Company's Memorandum and Articles of Association for Academies together with the Funding Agreement dated 19 August 2010 and supplementary Deed of Variation dated 23 July 2013 entered into with the Secretary of State for Education are the primary governing documents of The Cotswold School Academy Trust.

The Academy Trust is also known as The Cotswold School, and The Cotswold Academy.

The Trustees of The Cotswold School Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Cotswold School Academy Trust or The Cotswold Academy.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 3.

Members' Liability

There are three Members of the Academy Trust (Mr R Hadley, Mrs A Everitt and Lady M Dunrossil) who undertake 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

The Academy has insurance cover in force for Trustees' liability. The indemnity limit is £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

Regard is given to the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Academy's development.

The Board of Trustees of The Cotswold School Academy Trust resolves to have the following categories of Trustee who are recruited and elected as follows:

a) Parent

Subject to Articles 50-58 of the Articles of Association. The Board of Trustees takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given opportunity to do so.

This is usually done via a letter and/ or email from the Chair of Trustees to the home addresses of all registered pupils, accompanied by a nomination form. Parents may self-nominate. Nominations are received by midday on a stipulated day. Ballot Papers are then sent to registered pupils' homes outlining candidate credentials. Completed Ballot Papers are requested to be returned to The Clerk to the Board of Trustees by midday on a set date (approximately 2 calendar weeks from the day ballot papers are delivered).

The Cotswold School Academy Trust

Trustees' Report (continued)

The Parent Trustee may only be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Clerk to the Board of Trustees tallies the votes received by ballot paper and the nominee polling the majority of votes is duly elected. The Clerk to the Board of Trustees publishes the results.

b) Community, Partnership and Staff

For all cases, these Trustee candidates are nominated by a current Trustee. Nominations must be seconded by another serving member of the Board of Trustees. If the nomination is not contested, a vote is given by a show of hands. In the case where a vacancy is contested (there is more than one candidate), the nominees if present leave the meeting and votes are made by secret ballot. Votes are counted by the Clerk to the Board of Trustees who announces the results. The nominee polling the majority of votes is duly elected. The nominee(s) return to the meeting and are informed of the result by The Chair. Trustees must be present at a meeting in order to cast their vote.

The Board of Trustees resolves to have positions of special responsibility for Trustees, in addition to the above categories. These specialist responsibilities include but are not limited to: Performance Management, SEN, Link, Academy Council Link, Health and Safety, Child Protection, and Responsible Officer.

c) Local Authority (LA)

The Board of Trustees may also have an LA Trustee post. The Local Authority may appoint that LA Trustee (ref: Articles 51 and 138, Articles of Association).

Recruiting the Chair of Trustees and Vice Chair roles

The Clerk to the Board of Trustees chairs the meeting for the item to elect the Chair. The Chair takes over the meeting, once elected, including the item to elect the Vice-Chair.

A Trustee who is paid to work at the Academy or is a pupil at the Academy is not eligible for the office of Chair or Vice-Chair. The Academy's Board of Trustees resolves that the following process will apply to the election of Chair and Vice-Chair:

Trustees will be able to submit written nominations prior to the Board of Trustees and verbal nominations at the meeting. A Trustee can nominate him/herself for office and does not need to be present at the meeting to be considered.

Trustees must be present at a meeting in order to cast their vote. During an election, nominee(s) may be asked to leave the room whilst the election process takes place. If there is more than one nominee, the remaining Trustees will vote by secret ballot. The Clerk will tally the votes.

The nominee(s) will return to the meeting. The Clerk will announce the result, with the nominee polling the majority of votes being duly elected.

If there is a tie, each candidate will be given the opportunity to speak to the Trustees about their nomination and a further vote by secret ballot would be taken.

If there is still a tie, Trustees should discuss the strengths of the nominees further, and another vote will be taken. This process will repeat until a nominee polls a majority of the votes.

The agreed term for all Trustee categories is four years save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Miss C Roffe has been nominated as the 'Link' Trustee responsible for Trustee induction and training and has arranged for each Trustee to receive the Academy's Governor Handbook. Gloucestershire County Council Governor Services offers training days for those requiring them.

The Cotswold School Academy Trust

Trustees' Report (continued)

Organisational Structure

The Board of Trustees meets twice termly to receive reports from its committees and manage its strategic objectives.

The Board of Trustees has two main committees:

- a) Finance and Audit Committee – which meets at least once in the autumn, spring and summer terms to consider the annual budget, management accounts and any premises requirements; and
- b) Teaching and Learning Committee – which meets at least once in the autumn, spring and summer terms to consider curriculum issues.

The Board has six other committees that meet on an ad hoc basis:

- (a) Pay and Performance Committee
- (b) Pupil Discipline Committee
- (c) Community Use Working Party
- (d) Staff Grievance Committee
- (e) Admissions Committee
- (f) Premises Committee

The day to day management is delegated to the Principal as laid out in the Governors' Scheme of Delegation document. The Principal and Trustees have appointed a senior leadership team comprising the Principal, two Vice Principals and six Assistant Principals. The Principal meets regularly with the Chief Financial Officer to ensure that the Academy operates within its funding levels. The Principal is the appointed Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Pay and Performance Committee is authorised by the Governing Body to determine all matters relating to pay and related performance of staff, to establish a whole school pay policy for adoption by the governing Body and to monitor and review the pay policy as necessary. The Pay and Performance Committee has delegated powers to:

- Ensure that Performance Management, Pay Policy and Staff Absence Policies are appropriately reviewed and statutorily compliant
- Take all decisions relating to pay in accordance with the approved pay policy
- Ensure the Academy is adhering to correct procedures in terms of performance management and to award pay progression of the Principal and Senior Leadership team
- Review staff absence policy procedure and receive reports on long term and persistent absence issues
- Appoint an external advisor for the Principals' performance management
- Review the organisational structure of the school on an annual basis and recommend the annual pay budget, including pay progression to the Governing body
- Ensure that pay decisions are fair and equitable

The Cotswold School Academy Trust

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

The Principal is an active member of the Gloucestershire Association of Secondary Headteachers (GASH) through which best practice is shared with other schools and issues facing education at a local, regional and national level are discussed. As part of GASH, The Cotswold Academy also supports teacher trainees through their NQT year and throughout their teaching career. The Cotswold School also independently provides focused support to Secondary schools actively seeking to improve their teaching standards.

The Cotswold Academy places great importance on working closely with its feeder primary schools. Staff from The Cotswold School regularly visit local primaries to teach and share best practice. Classes from local primary schools also regularly visit the Cotswold Academy to take part in Science, Maths, English and Physical Education activities. These reciprocal visits both strengthen links and help towards a smooth transition of pupils from primary to secondary level, with Year 7's quickly settling into The Cotswold Academy and achieving in lessons.

These links have been further strengthened by formation of The Cotswold Teaching School Partnership (CTSP). Formed in April 2016 and managed and administered by The Cotswold Academy, the CTSP brings together a range of local primary and secondary schools with a prime focus on improving the educational experience of pupils in our schools and to support and develop teachers professionally. A key role for a Teaching School alliance is to build relationships between schools so that support can be targeted where it is most needed, and in a way which is valued by the schools involved to ensure the best outcomes for the children and young people.

The Cotswold Academy also has links with Gloucestershire College (GlosCol) which runs a post-a6 cooking apprenticeship using The Cotswold Academy's teaching kitchen.

Objectives and Activities

Objects and Aims

The sole activity of the Academy is the operation of the Academy to provide education for pupils of different abilities between the ages of 11 and 19.

The Academy's aims are:

- To raise the standard of educational achievement of all pupils;
- To ensure that every child enjoys the same high quality education in terms of resources, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To provide a sustainable programme of curriculum enrichment for the education of all pupils;
- To conduct Academy business in accordance with the highest standards of integrity, probity and openness;
- To set realistic educational targets that maintain and develop the Academy's excellent academic progress, and ensure that those targets are met;
- Establish and maintain procedures for monitoring, evaluating and reviewing the quality of learning, teaching, pupil development and achievement;
- Review policies regularly in accordance with legislative requirements; and
- Ensure that Academy policies and local/national regulatory requirements for premises, health and safety and well-being of staff and pupils are met.

The Cotswold School Academy Trust

Trustees' Report (continued)

Objectives, Strategies and Activities

The Academy has clear targets and strategies which flow from the Self Evaluation Form (SEF) and are included within the Academy Development Plan. The points below underpin these specific targets for the year:

- A fully comprehensive intake;
- A broad and inclusive curriculum; and
- A positive ethos that ensures fairness and transparency for all stakeholders.

Objectives from the Academy Development Plan for the Years 2015-2016

1) Quality of teaching, learning and assessment

- to continue to support effective teaching with thorough assessment of new GCSE and AS level courses
- to adapt KS3 schemes of work and assessments in preparation for more rigorous GCSEs
- embed a new system for KS3 assessment and reporting
 - Continue to support and improve consistency of teacher marking and feedback with greater student involvement
 - Continue to support and improve the effectiveness of Teaching Assistants within lessons
 - Further raise standards of literacy, specifically writing

2) Personal development, behaviour and welfare

- To develop even greater consistency in the use of behaviour management systems to facilitate improved communication with parents
- To address gender imbalance in behaviour and attendance
- To improve student's employability skills
- To increase students' personal development (with a particular focus on broader curriculum, SMSC, extracurricular activities and trips)

3) Leadership and Management

- To continue to manage falling income against increased costs
- To manage staff workload, balancing workload with increased contact time whilst maintaining quality of teaching
- To continue to focus on closing achievement gaps for all key groups
- To develop a support programme for subject and year leaders and those aspiring to middle or senior management
- To further develop and deliver against a long term strategic vision for the school
- To further develop links with other schools and specifically target Teaching School status

Public Benefit

As a non-selective state secondary Academy, The Academy's work is, by its very nature, to the public benefit. The Academy offers a broad curriculum to pupils of all abilities aged from 11-19 who come from varied socio-economic backgrounds in a semi-rural catchment area. Parochial care and attention to special needs are an important part of the Academy's ethos to promote the individual in a caring environment.

Furthermore, the Trustees have had regard to Charity Commission guidance on public benefit beyond the provision of secondary education. It conducts its business with great consideration to its neighbours. There is a strong policy to promote public use of its buildings and land for clubs, sport, and tuition to the benefit of the community. When converting to Academy status, the Academy has taken on a formal policy of community cohesion. The Academy has two dedicated members of staff who promote community use and a Committee of appropriate stakeholders who meet to discuss and agree strategies for development.

The Cotswold School Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The Cotswold Academy has continued its success in achieving outstanding performance in exam results and has enjoyed further accolades through the year.

In August 2015, The Daily Telegraph's league tables for comprehensive schools placed The Cotswold Academy at 14th in the country and 1st in Gloucestershire.

In November 2015, The Sunday Times ranked The Cotswold Academy at 12th in the Top 20 Comprehensive Schools in England and Wales for both A Level and GCSE and then named The Cotswold Academy their 'Comprehensive School of the Year 2015/16'.

During the year, the Principal also received a letter from Sam Gyimah MP, the Parliamentary Under Secretary of State for Childcare and Education to congratulate the school on winning a local award in the Pupil Premium Awards 2016. The letter explained: 'the reason you have been selected is that you are one of the most improved schools in the country in terms of the attainment and value added progress of disadvantaged pupils since 2012.'

In addition, the schools' new status as a Teaching School reflects the excellence in teaching and learning at our school. It is also evidence of the schools' excellent track record in delivering valued outreach work.

Key Performance Indicators

Ofsted

In March 2015, The Cotswold School was judged 'outstanding' for the fourth consecutive time by Ofsted. This inspection was carried out under Ofsted's new and even more rigorous inspection criteria. As a result, the Academy was particularly proud to receive 'outstanding' ranking across all Ofsted's categories: Leadership and Management, Behaviour and Safety of pupils, Quality of Teaching, Achievement of pupils and Sixth Form provision.

The Chief Inspector commented that she had rarely ever heard such consistent praise from Academy parents and carers as she received from those of The Cotswold School, reflecting the sustained hard work and commitment of a fantastic team over many, many years.

To ensure focus is maintained on achievement and performance, the Academy's Trustees regularly inspect self-evaluation reports carried out by the Principal and Senior Leadership Team throughout the year. This ensures rigorous standards are maintained and built upon while the objectives in the Academy Development Plan are kept constantly in focus.

GCSE Results 2016

Of the 201 who sat their GCSEs, 92% of students achieved 5-15 top A*-C grades this year with 84% of students achieving 5 or more A*-C grades including English and Maths.

34% of all GCSE entries were at the top A* and A grades. The percentage of students achieving the English Baccalaureate is 52%.

We also gauge the percentage of pupils making expected progress:

In English Language, 92% of pupils made three or more levels of progress;

In English Literature, 91% of pupils made three or more levels of progress;

In Mathematics 88% of pupils made three or more levels of progress.

The school's Progress 8 score was +0.49 equating to students achieving half a grade higher on average across all of their subjects than students of a similar ability nationally. 85% of students achieved grades A*-C in both English and Mathematics. Students achieved an average of a grade B across all of their subjects.

The Cotswold School Academy Trust

Trustees' Report (continued)

As well as the truly outstanding results at GCSE this year were stories of individual triumph achieved by students who succeeded in the face of real adversity thanks to their own perseverance and the support received from the Academy and dedicated staff.

A Level Results 2016

2016 has been an outstanding year for A level results at The Cotswold School, with 89% of examinations awarded A*-C.

38% of all grades were at A* or A;

59% of Cotswold School A-Level students achieved at least one A grade.

On average each student gained 365 UCAS points. Furthermore, 74.1% of Year 13 students have gone on to University in September 2016, with 50% of these attending Russell Group Universities.

Achievement at The Cotswold Academy is also measured by the Academy's broad, holistic approach to education. Pupils are encouraged to broaden their educational experience. The vast range of extracurricular activities continues to grow and offers curriculum enrichment, inspiration, and a chance for students to explore new interests and expand their learning.

The annual Activities week takes place in July and involves all students in either work experience, team building exercises and/or experiencing a range of interesting, inspiring extra-curricular activities.

Pupils of all age groups also take part in clubs, local, regional and national competitions and workshops in philosophy, debate, art, media, music, drama, science and engineering, mathematics, food and design technology and sports. Pupils recognised as 'gifted and talented' are further encouraged to take part in a variety of special clubs run after Academy hours that will challenge and extend their learning.

Supported by their teachers and an enriched curriculum, students excel. Examples include: winners at Club, District and Regional levels of Rotary International Competitions for Young Chefs, Young Photographers, Young Artists and Young Writers; and further superb performances at regional Maths Challenges, philosophical debates, music competitions, and Science and STEM events.

The Academy also builds upon its local business network to benefit students. Drawing from its network, the Academy hosts increasingly well-attended careers evenings with a variety of industries represented. Local businesses regularly contribute their time and expertise as guest speakers and, with increasing regularity, approach the Careers Coordinator with apprenticeship and employment opportunities for Academy leavers.

The trips on offer are also second to none: Nicaragua, New York, Iceland, Spain, Germany, France, Italy, Belgium, Poland have been explored for sport, culture, history, art, design, business, IT, language, and geography, as well as for personal growth and an improved understanding of the world beyond Bourton on the Water

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.

The Cotswold School Academy Trust

Trustees' Report (continued)

Financial Review

The Cotswold School Academy had total incoming resources for the year of £7.448m (2015: £6.556m) and total resources expended of £6.933m (2015: £7.068m) giving a net surplus of £515k (2015: deficit of £512k) before taking into account the actuarial loss on the defined benefit pension scheme. The surplus decreases to £57k (2015: deficit of £488k) once this is taken into account.

Income

As a 'Converter' Academy the main funds 'General Annual Grant' were received via the Education Funding Agency. Other funds have been received from Gloucestershire County Council (as the Local Authority). The Cotswold School Academy is fortunate to have a rising pupil numbers, with 1,345 pupils on the Autumn 2016 census compared to 1,306 on the Autumn 2015 census. With the delay in Fairer Funding, the allocation of funds to Gloucestershire County Council via the EFA GAG remains one of the lowest in England. The Cotswold School Academy continues to work hard at generating additional funding, through grants, sponsorship and donations.

Expenditure

The largest expenditure is staffing costs. Despite the rise in pupil numbers the average teacher headcount reduced by 3 from 84 in 2014/15 to 81 in 2015/16. This is mainly due to a reduced number of staff on maternity, with maternity covers reducing from 5 in 2014/15 to 3 in 2015/16. Staffing costs have reduced in line with staffing numbers but still reflect a good balance of mature and newly qualified staff.

With staffing costs increasing at a higher rate than Government funding, there is a continued need for close monitoring of staffing requirements, to ensure both a good standard of teaching and learning and value for money.

Other Academy costs are also closely monitored and reported. Key costs to the school are premises and occupancy costs, with insurance and energy increasing ahead of inflation. The Cotswold School Academy comprises a variety of extended buildings of differing ages and construction. Alternative energy sources are being investigated as the cost of energy increases.

Reserves Policy

The policy of the Academy is to carry forward a level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the Department for Education.

The Cotswold School Academy began the year with total reserves of £14.94m. Following a period of suitable fiscal control and increases to Unrestricted Income, the Academy reserves stand at £14.997m. This includes unrestricted funds of £710k (2015: £583k).

The pension reserve shows a net liability of £2.356m at 31 August 2016 and changes to this liability linked to a revaluation of the whole pensions fund (administered by Gloucestershire County Council) will be reviewed during the year.

With regard to the deficit on the pension reserve, the Academy will continue to make contributions to the Local Government Pension Scheme (LGPS) with actuarial advice and has no plans to increase contributions above the recommended level.

Investment Policy

Trustees have agreed a policy for investment of balances. The strategy is as follows: To regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments. The Academy will seek to avoid its current account going overdrawn. It will identify funds surplus to immediate cash requirements and transfer to a Deposit Account bearing a higher interest rate. To periodically review interest rates and compare with other investment opportunities. The Academy's current policy is only to invest in risk free UK banks.

The Cotswold School Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The Trustees of The Cotswold School Academy Trust have a Risk Assessment Policy in force. This has identified Strategic, Operational, Regulatory and Financial risks. Likelihood and impact of the risks have been assessed and methods of avoiding, transferring and mitigating these have been taken into consideration. Principal risks have been identified are those which affect the running of the Academy e.g. fire, flood, storm and major incident. It also includes those which affect the financial aspect of the Academy e.g. loss of reputation affecting pupil numbers on roll, and possible fraud. Other risks identified are risk of injury to those on site and also potential loss of Academy data.

The Cotswold School Academy Trust

Trustees' Report (continued)

Plans for Future Periods

The Trustees' Premises Development Plan is maintained as a working document and aids decision making with regard to prioritising for future projects and developments. Key work undertaken in the year to 31 August 2016 was the refurbishment and replacement of flat roof areas across the site. These works were completed using Government CIF funding.

There is still a pressing need to refurbish and replace areas of pitched roofing in older parts of the The Cotswold School Academy. Additionally, a toilet refurbishment programme has also been ear-marked as a priority by the Trustees and the student body alike. Again, this will proceed when funds allow and will be bid for as part of the 2017-18 CIF application process.

S106 funding has been received as a result of the Upper Rissington development. Trustees' plans are to use this funding to complete the next phase of building works to extend Geography block into a separate Sixth Form block.

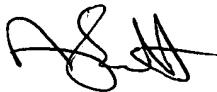
The turning circle and access to the Academy remains a concern and conversations continue with Gloucestershire Highways and Gloucestershire County Council to resolve.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, that there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all the steps that ought to have been taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, was approved by order of the Board of Trustees, as the company directors, on **12th December 2016** and signed on the board's behalf by:



Amanda Everitt

Trustee

Date: *12th December 2016*

The Cotswold School Academy Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Cotswold School 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 Principal, 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 The Cotswold School 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 six 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
Mrs A Everitt	4	6
Mr R Hadley	6	6
Lady M Dunrossil	6	6
Ms L Baker	4	6
Mrs K Ellison	3	3
Dr R Emsley	6	6
Mr D Hanson	4	6
Mrs C Lock	4	6
Mr M MacMoreland	3	3
Mr M Read	1	1
Mr A Parker	3	4
Miss C Rolfe	6	6
Mrs K Scott	1	6
Mrs C Taplin	2	3
Dr H Warren	4	6
Mrs L Cartlidge	0	1
Mr C Dry	4	6
Mr W Morgan	6	6
Mr B Edwards	1	3
Mr Phil White	6	6
Mrs K Williams	6	6

The **finance and general purposes committee** is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. The Committee makes appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis. Major issues are referred to the full board for ratification.

The Cotswold School Academy Trust

Governance Statement (continued)

During the year Mr A Parker and Mrs M Tye, who are both qualified accountants with extensive experience in finance, joined the committee. The Finance Committee Meeting met four times in the year. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Everitt	3	4
Mr R Hadley	4	4
Lady M Dunrossil	4	4
Mr W Morgan	4	4
Mr C Dry	3	4
Mr A Parker	2	3
Dr R Emsley	4	4
Mr C Edwards	0	4
Mrs V Turner	4	4
Mrs M Tye	2	2

Review of Value for Money

As accounting officer the Principal 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 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 academy trust has delivered improved value for money during the year by:

- continually reviewing The Cotswold School Academy expenditure and ensuring benchmarking data shows value for money when compared against similar sized schools in Gloucestershire as well as national comparators
- continually reviewing and balancing both a short term budget with a long term strategic plan reflecting pupil numbers, premises requirements and funding expectations
- generating additional income to The Cotswold School Academy of £333k through the provision of in-house catering and the delivery of external educational support
- generating additional income of £40k through the provision of community lettings
- delivering an in-house caretaking team that supplies solutions to maintenance issues which are resolved in a timely and economic manner, avoiding the use of external contractors where possible

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in The Cotswold School Academy Trust for the period to 31 August 2016 and up to the date of approval of the annual report and financial statements.

The Cotswold School Academy Trust

Governance Statement (continued)

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 period 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 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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of 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 Mrs M Tye to perform a peer review ahead of her appointment as Chief Financial Officer on 1st August 2016. The reviewer's role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Review of Effectiveness

As accounting officer the Principal 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 peer reviewer
- 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 and Audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on **12th December 2016** and signed on its behalf by:



Amanda Everitt

Trustee



Will Morgan

Accounting Officer

The Cotswold School Academy Trust

Statement of Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Will Morgan

Accounting Officer

Date 12th December 2016

The Cotswold School Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of The Cotswold School Academy Trust 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [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 EFA 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 12th December and signed on its behalf by:



Amanda Everitt

Trustee

The Cotswold School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Cotswold School Academy Trust

We have audited the financial statements of The Cotswold School Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes numbered 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose 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 Financial reporting Council'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in 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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2015 to 2016 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report on the Financial Statements to the Members of The Cotswold School Academy Trust (continued)

Opinion on other matter prescribed by the Companies Act 2006

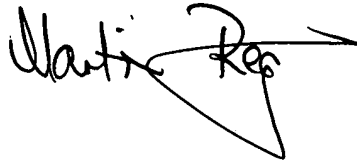
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Martin Regan
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Crowe Clark Whitehill
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ



Date: 12 December 2016

The Cotswold School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Cotswold School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 November 2012 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 Cotswold School Academy Trust Academy during the year 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 the governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to The Cotswold School Academy Trust 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 the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Cotswold School Academy Trust Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cotswold School Academy Trust Academy Trust's funding agreement with the Secretary of State of Education dated 19 August 2010, the supplementary Deed of Variation dated 23 July 2013 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 year 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 to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

Independent Reporting Accountant's Assurance Report on Regularity to The Cotswold School Academy Trust 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 year 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.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

Date: 12 December 2016

The Cotswold School Academy Trust

Statement of Financial Activities for the year ended 31 August 2016

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	2	24	49	729	802	126
Charitable activities	3	261	6,050	-	6,311	6,173
Other trading activities	4	332	-	-	332	254
Investments	5	3	-	-	3	3
Total		620	6,099	729	7,448	6,556
Expenditure on:						
Raising funds	6	103	-	-	103	98
Charitable activities:	7	235	6,324	271	6,830	6,970
Total		338	6,324	271	6,933	7,068
Net income / (expenditure)		282	(225)	458	515	(512)
Transfers between funds	15	(155)	155	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	15,24	-	(458)	-	(458)	24
Net movement in funds		127	(528)	458	57	(488)
Reconciliation of funds						
Total funds brought forward		583	(1,828)	16,185	14,940	15,428
Total funds carried forward		710	(2,356)	16,643	14,997	14,940

The notes on pages 26 to 45 form part of these financial statements.

The Cotswold School Academy Trust

Balance Sheet as at 31 August 2016

Company Number 07338767

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	11		16,135		16,159
Current assets					
Stock	12	4		4	
Debtors	13	111		76	
Cash at bank and in hand		1,682		959	
		<u>1,797</u>		<u>1,039</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(579)		(430)	
Net current assets			<u>1,218</u>		<u>609</u>
Total assets less current liabilities			<u>17,353</u>		<u>16,768</u>
Net assets excluding pension liability			<u>17,353</u>		<u>16,768</u>
Defined benefit pension scheme liability	24		(2,356)		(1,828)
Total net assets			<u>14,997</u>		<u>14,940</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	16,643		16,185	
Pension reserve	15	(2,356)		(1,828)	
Total restricted funds			<u>14,287</u>		<u>14,357</u>
Unrestricted income funds	15		<u>710</u>		<u>583</u>
Total funds			<u>14,997</u>		<u>14,940</u>

The financial statements were approved by the trustees and authorised for issue on 12 December 2016 and are signed on their behalf by:



Amanda Everitt
Trustee

The notes on pages 26 to 45 form part of these financial statements.

The Cotswold School Academy Trust

Statement of Cash Flows

for the year ended 31 August 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	238	(372)
Cash flows from investing activities	20	3	3
Cash flows from financing activities	21	482	-
Change in cash and cash equivalents in the reporting period		723	(369)
Cash and cash equivalents at 1 September 2015		959	1,328
Cash and cash equivalents at 31 August 2016	22	1,682	959

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of accounting policies

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

Basis of Preparation

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

The Cotswold School Academy Trust meets the definition of a public benefit entity under FRS 102.

These financial statements are the first financial statements of The Cotswold School Academy Trust 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 The Cotswold School Academy Trust 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 Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015. Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

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.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (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.

- **Sponsorship Income**

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

- **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.

- **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by The Cotswold School Academy; this is normally upon notification of the interest paid or payable by the Bank.

- **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. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within '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.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

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.

- **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 £2,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

• Freehold buildings	2%
• Temporary buildings	4%
• Fixtures, fittings and equipment	10%
• Office Equipment	25%
• Motor vehicles	25%

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

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Tangible Fixed Assets (continued)

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

Debtors

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

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.

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.

Financial Instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These 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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 EFA (Education Funding Agency).

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement (*continued*)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust 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 and paid and any balances held are disclosed in note 26.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants and S106 monies	-	729	729	27
Donations and Voluntary Funds	24	-	24	46
Other donations	-	49	49	53
	<u>24</u>	<u>778</u>	<u>802</u>	<u>126</u>

In 2015, of the total income from donations and capital grants, £46k was to unrestricted funds and £80k was to restricted funds.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
EFA grants				
· General Annual Grant (GAG)	-	5,823	5,823	5,704
· Pupil Premium	-	144	144	146
· Other EFA grants	-	-	-	-
	<u>-</u>	<u>5,967</u>	<u>5,967</u>	<u>5,850</u>
Other Government grants				
· Local authority grants	-	10	10	-
· Special educational projects	-	-	-	-
	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
Other income from the academy trust's educational operations	261	73	334	323
	<u>261</u>	<u>6,050</u>	<u>6,311</u>	<u>6,173</u>

In 2015, of the total funding from the Academy Trust's educational operations, £259k was to unrestricted funds and £5.914m was to restricted funds.

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Uniform Sales	-	-	-	5
Rental Income	45	-	45	41
Sale of School Meals	235	-	235	208
Consultancy to other schools	52	-	52	-
	<u>332</u>	<u>-</u>	<u>332</u>	<u>254</u>

In 2015, of the total income from other trading activities, £254k was to unrestricted funds.

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	3	-	3	3
	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>

In 2015, of the total income from investments, £3k was to unrestricted funds.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 £000
		Other £000	Dep'n £000		
Expenditure on raising funds	-	103	-	103	98
Academy's educational operations:					
· Direct costs	4,611	698	271	5,580	5,784
· Allocated support costs	864	386	-	1,250	1,186
	<u>5,475</u>	<u>1,187</u>	<u>271</u>	<u>6,933</u>	<u>7,068</u>

In 2016, of the total expenditure £338k (2015: £267k) was to unrestricted funds and £6.595m (2015: £6.801m) was to restricted funds.

Net income/(expenditure) for the period includes:

	2016 £000	2015 £000
Operating Lease Rentals	17	-
Depreciation	271	283
Fees payable to auditor for:		
- audit	11	8
- other services	<u>2</u>	<u>5</u>

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

7 Charitable activities

Direct costs	Funding for Education £000	Total 2016 £000	Total 2015 £000
Teaching and educational support staff	4,611	4,611	4,667
Depreciation	271	271	283
Educational supplies	224	224	245
Educational activities	235	235	259
Examination Fees	115	115	110
Staff development	12	12	16
Educational consultancy	1	1	78
Other direct costs	111	111	126
Total direct costs	5,580	5,580	5,784

Support costs	Funding for Education £000	Total 2016 £000	Total 2015 £000
Support staff costs	864	864	788
Recruitment and support	10	10	5
Maintenance of premises	70	70	78
Cleaning	11	11	13
Rent and Rates	24	24	29
Utilities	95	95	96
Insurance	55	55	54
Security and transport	25	25	33
Telephone, printing and stationery	27	27	27
Governance costs	59	59	56
Other Support costs	10	9	7
Total support costs	1,250	1,250	1,186

During the year ended 31 August 2016 the academy incurred £47k (2015: £56k) of Governance costs which are included in the table above.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £000	Total 2015 £000
Wages and salaries	4,356	4,351
Social security costs	329	307
Operating costs of defined benefit pension schemes	762	778
Supply teachers	28	20
	5,475	5,456

b. Staff numbers

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

	2016 No.	2015 No.
Teachers	81	84
Administration and support	86	85
Management	9	9
	176	178

c. Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these members of staff amounted to £47k (2015: £31k)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £546k (2015: £537k).

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

9 Related Party Transactions – Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration or reimbursed expenses in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their roles as Trustees.

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

Principal and trustee:

Remuneration £90,000 - £100,000 (2015: £85,000 - £90,000)
Employer's pension contributions paid £15,000 - £20,000 (2015: £10,000 - £15,000)

Staff trustee:

Remuneration £50,000 - £55,000 (2015: £50,000 - £55,000)
Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

Staff trustee:

Remuneration £15,000 - £20,000 (2015: £15,000 - £20,000)
Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

During the period ended 31 August 2016, no trustees received reimbursed expenses (2015: nil).

10 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £258 (2015: £196). The cost of this insurance is included in the total insurance cost.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

11 Tangible fixed assets

	Freehold Land and Buildings £000	Assets under Construction £000	School Equipment £000	Office Equipment £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2015	17,077	-	290	59	25	17,451
Additions	-	187	35	25	-	247
At 31 August 2016	17,077	187	325	84	25	17,698
Depreciation						
At 1 September 2015	1,057	-	153	57	25	1,292
Charged in year	244	-	26	1	-	271
At 31 August 2016	1,301	-	179	58	25	1,563
Net book values						
At 31 August 2015	16,020	-	137	2	-	16,159
At 31 August 2016	15,776	187	146	26	-	16,135

The trust's transactions relating to land and buildings included:

- the refurbishment of flat roofs to the freehold buildings totalling £157k as at 31 August 2016 using Condition Improvement Funds. The works were completed by 31 October 2016 and cost £217k.
- the commencement of new building work (£30k) to expand the existing geography block into a new sixth form complex. Design and the submission of planning was completed as at 31st August 2016.
- School and office equipment was purchased totalling £60k

12 Stock

	2016 £000	2015 £000
Catering	4	4

13 Debtors

	2016 £000	2015 £000
Trade debtors	11	8
VAT recoverable	48	14
Other debtors	11	12
Prepayments and accrued income	41	42
	111	76

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

14 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Other creditors	366	345
Accruals	112	45
Deferred income	101	40
	579	430

	2016 £000	2015 £000
Deferred income		
Deferred income at 1 September 2015	40	27
Released from previous years	(40)	(27)
Resources deferred in the year	101	40
Deferred Income at 31 August 2016	101	40

At the balance sheet date the academy trust was holding funds received in advance of £20k for music tuition fees, £2k for catering cash balances, £15k for EFA GAG rates relief, £4k for GCC High needs funding and £60k for the Teaching Schools Grant relating to 2016/17.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

15 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	-	5,823	(5,978)	155	-
Pupil Premium	-	144	(144)	-	-
Other donations	-	132	(132)	-	-
Pension reserve	(1,828)	-	(70)	(458)	(2,356)
	(1,828)	6,099	(6,324)	(303)	(2,356)
Restricted fixed asset funds					
DfE/EFA capital grants	443	244	(27)	-	660
Donations and Voluntary Income	15,742	485	(244)	-	15,983
	16,185	729	(271)	-	16,643
Total restricted funds	14,357	6,828	(6,595)	(303)	14,287
Total unrestricted funds	583	620	(338)	(155)	710
Total funds	14,940	7,448	(6,933)	(458)	14,997

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

Restricted General Funds: EFA Grants (including GAG) are used to meet the cost of running the Academy. Under the Funding Agreement with the Secretary of State and guidance within the Academies Financial Handbook, the Academy Trust was not subject to a limit of the amount of GAG that it could carry forward as at 31 August 2016.

Other funds include pupil premium, music tuition and other donations which are to be spent on various restricted purposes as detailed in the Conditions of Grant, music tuition services and instructions from the donors. The Local Government Pension Scheme liability is also included within this fund and further information can be found in note 24 of the financial statements regarding this balance.

Restricted Fixed Asset Funds: These funds relate to the land, buildings and other fixed assets which are owned by the Academy and used in accordance with the charitable objectives.

Unrestricted Funds: Represents income generated by the Academy (such as lettings and hire of the facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Transfers between funds relate to unrestricted funds used to cover revenue expenditure in the year.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Fund £000	Restricted Fixed Asset Fund £000	Restricted Income Fund £000	Pension Reserve Fund £000	Total Funds 2016 £000
Tangible fixed assets	-	16,135	-	-	16,135
Current assets	1,289	508	-	-	1,797
Current liabilities	(579)	-	-	-	(579)
Pension scheme liability	-	-	-	(2,356)	(2,356)
Total net assets	710	16,643	-	(2,356)	14,997

17 Capital commitments

At 31 August 2016 the Academy had no capital commitments which were contracted for but not provided in these financial statements (2015: £Nil).

18 Commitments under operating leases

Operating leases

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

	2016 £000	2015 £000
Amounts due within one year	17	-
Amounts due between one and five years	52	-
Amounts due after five years	-	-
	69	-

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £000	2015 £000
Net outgoing resource	515	(512)
Adjusted for:		
Depreciation [note 11]	271	283
Capital grants from DfE and other capital income	(729)	(27)
Interest receivable [note 20]	(3)	(3)
Defined benefit pension scheme cost less contributions payable [note 24]	25	52
Defined benefit pension scheme finance cost [note 24]	45	42
(Increase)/decrease in stocks	-	8
(Increase)/decrease in debtors	(35)	14
Increase/(decrease) in creditors	149	(229)
Net cash provided by / (used in) Operating Activities	238	(372)

20 Cash flows from investments

	2016 £000	2015 £000
Interest received	3	3
Net cash inflow on investments and service of finance	3	3

21 Capital expenditure and financial investment

	2016 £000	2015 £000
Purchase of tangible fixed assets	(247)	27
Capital grants from DfE/EFA	244	(27)
Capital funding received from sponsors and others	485	-
Net cash provided by / (used in) investing activities	482	-

22 Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand and at bank	1,181	959
Notice deposits (less than 3 months)	501	-
Total cash and cash equivalents	1,682	959

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Notes to the Financial Statements for the year ended 31 August 2016 (continued)

23 Members liability

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

24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. 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.

The pension charge for the year includes contributions payable to the TPS of £470k (2015: £442k), at the year-end £45k (2015: £35k) was accrued in respect of the contributions to this scheme.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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Notes to the Financial Statements for the year ended 31 August 2016 (continued)

- 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.

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 £328k (2015: £296k), of which employer's contributions totalled £267k (2015: £237k) and employees' contributions totalled £61k (2015: £59k). The agreed contribution rates for future years are 26.9% (2015: 19.5%) per cent for employers and at an average of 6.5% (2015: 6.5%) per cent 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	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	2.40%	4.10%
Rate of increase for pensions in payment/inflation	2.10%	2.70%
Discount rate for scheme liabilities	2.10%	3.80%
Inflation assumption (CPI)	1.40%	2.60%
Commutation of pensions to lump sums	68.00%	50.00%

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

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Notes to the Financial Statements for the year ended 31 August 2016 (continued)

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.5	22.5
Females	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.4	24.4
Females	27.0	27.0

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	1,452	1,053
Government bonds	448	336
Cash	85	15
Property	150	122
Total market value of assets	2,135	1,526

The actual return on scheme assets was £64,000 (2015: £50,000)

Amount recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost	292	289
Interest cost	134	116
Expected return on plan assets	(89)	(74)
Employer contributions	(267)	(237)
Total amount charged to SOFA	70	94

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

	2016 £000	2015 £000
At 1 September	3,354	2,996
Current service cost	292	289
Interest cost	134	116
Employee contributions	61	59
Actuarial (gain)/loss	674	(48)
Benefits paid	(24)	(58)
At 31 August	4,491	3,354

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

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

	2016 £000	2015 £000
At 1 September	1,526	1,238
Interest income	64	50
Actuarial gain/(loss)	241	-
Employer contributions	267	237
Employee contributions	61	59
Benefits paid	(24)	(58)
At 31 August	2,135	1,526

25 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

26 Agency arrangements

The Academy Trust distributes 16-19 Bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the Trust received £21,951 (including £2,730 of funds brought forward from the prior year) and disbursed £17,380 from the fund. An amount of £4,571 is included in other creditors relating to undistributed funds that is repayable to the EFA.

27 Transition to FRS 102 and the Charities SORP 2015

This is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. 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.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102. As a result, the surplus for the year ended 31 August 2015 and the total equity as at 1 September 2014 and 1 August 2015 have not changed as a result of the transition from UK GAAP to FRS 102 and the Charities SORP 2015.