

The Cotswold School Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Accounting period ending 31 August 2019



Company Registration Number:
07338767 (England and Wales)

Contents

Reference and Administrative Details	3
Trustees' Report	4
Governance Statement	14
Statement of Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20
Independent Reporting Accountant's Report on Regularity	23
Statement of Financial Activities	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements for the year ended 31 August 2019	28

The Cotswold School Academy Trust

Reference and Administrative Details

Members	Mrs A Everitt Mr R Hadley Lady M Dunrossil
Trustees	Mr A Parker Mrs K Allison Mr L P Campbell Mrs K Ellison (resigned 31-07-19) Dr R Emsley Mr C Riley Miss C Roffe (resigned 31-07-19) Mrs L Rowley Mrs K Scott (resigned 31-08-19) Miss C Taplin (resigned 31-07-19) Dr H Warren Mr J Jones (appointed 10-09-19) Mrs F Heming (appointed 10-09-19) Mrs R Havill (appointed 10-09-19) Mr B Backhouse (appointed 10-09-19) Mr W Morgan (Principal and Accounting Officer) Mr T Redding (Staff Trustee)
Senior Management Team Principal Vice principal Vice 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 F Hudson (Clerk) Mr S Smith Mr B Edwards Dr M Scantlebury Mrs J Carter
Finance Chief Financial Officer	Mrs M Tye (Associate Governor)
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	Hazlewoods LLP Windsor House, Bayshill Road Cheltenham, GL50 3AT
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 2019. 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, and had a roll of 1,410 in the school census of October 2019.

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 ensure 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:

- 1) 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
- 2) Teaching and Learning Committee – which meets at least once in the autumn, spring and summer terms to consider curriculum issues.

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

- Pay and Performance Committee
- Pupil Discipline Committee
- Staff Grievance Committee
- Admissions Committee
- 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

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 School Academy also supports teacher trainees through their NQT year and throughout their teaching career. The Cotswold School Academy also independently provides focused support to secondary schools actively seeking to improve their teaching standards.

The Cotswold School Academy Trust

Trustees' Report (continued)

The Cotswold School Academy places great importance on working closely with its feeder primary schools. Staff from The Cotswold School Academy regularly visit local primaries to teach and share best practice. Classes from local primary schools also regularly visit The Cotswold School 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 School 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.

Trade union Facilities Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1%-50%	2
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,268
Provide the total pay bill	£6,267,336
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0.55%

The Cotswold School Academy Trust

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

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

The Academy's main aim is to raise the standard of educational achievement of all pupils and to ensure that every child enjoys the same high quality education in terms of resources, tuition and care. This is underpinned by strong leadership and management that aims to:

- Set realistic educational targets that maintain and develop the Academy's excellent academic progress, and ensure that those targets are met;
- Improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- Provide a sustainable programme of curriculum enrichment for the education of all pupils and comply with all appropriate statutory and curriculum requirements;
- Establish and maintain procedures for monitoring, evaluating and reviewing the quality of learning, teaching, pupil development and achievement;
- Conduct Academy business in accordance with the highest standards of integrity, probity and openness;
- Provide value for money for the funds expended;
- 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.

Objectives, Strategies and Activities

The Academy has clear targets and strategies which flow from the Self Evaluation Form (SEF) and form the Academy Development Plan for year school year. This plan drives the key objectives for the school and for which the senior leadership team are held accountable. The key objectives from the Academy Development Plan for the Years 2019-2020 are:

- 1) Improve achievement of vulnerable groups
- 2) Achieve an attendance rate >96% across the whole school
- 3) Refine the curriculum at all Key Stages
- 4) Further develop 6th form careers and employability skills
- 5) Prepare for an expansion of the school

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

Accolades

The Cotswold School has a history of impressive accolades. In March 2015, The Cotswold School Academy 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 Academy, reflecting the sustained hard work and commitment of a fantastic team over many years.

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

As a result of the Academy's success as an 'Outstanding' school, Mr Will Morgan (Principal) has gained the status of a National Leader of Education and The Cotswold School Academy has developed its status as a Teaching School. This has allowed the school to deliver valuable outreach work, contributing to improvements in education in other schools.

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. The school is proud to remain an outstanding school with examination results that consistently place The Cotswold School in the top three comprehensive schools in Gloucestershire.

Examination Results 2019

The Cotswold School Academy achieved another year of outstanding performance in exam results and continues to raise the standard of educational achievement of its pupils.

Examination results achieved by students at The Cotswold School have once again been Outstanding, with 41.6% of all A Level grades awarded at A* or A and 66% of all A Level grades awarded at A*, A or B. 18.7% of grades were at the top A* mark and the proportion of grades at A*-C is an impressive 85% far exceeding the national averages.

These figures continue the strong performance seen over previous years, with 74% of students leaving to go to university, with a significant proportion (45% of leavers) attending a Russell Group University.

2019 GCSE results are equally outstanding, with 80% of students achieving 5 or more 9-4 grades including Mathematics and English. In addition, 35% of all grades were 9-7. 45% of students achieved EBacc Award, which represents achievement in the most rigorous GSCE subjects, compared to the national figure of 24%. The average E-Bacc point score was 5.2 compared with the national average of 4.0.

We also gauge the percentage of pupils making expected progress. The overall school P8 was +0.44 (compared to the national average of 0.24).

Our A8 score average grade was 5.7 overall, meaning that our students averaged 5.6 points per qualification (5 points is equivalent to a 'strong pass').

The Cotswold School Academy Trust

Trustees' Report (continued)

Enrichment and development

The Cotswold School Academy vision is the pursuit of academic excellence and the personal development of each individual within a caring community. The Academy has a broad, holistic approach to education and pupils are encouraged to broaden their educational experience, preparing them for the wider world.

The extensive programme of co-curricular activities continues further enriches our pupils' secondary school experience. Pupils can take part in numerous clubs including cookery, speech and debate, dance and gymnastics, a wide variety of sports, philosophy, language, science and engineering, BBC School Report, student book club, instrument and singing lessons, Duke of Edinburgh awards, choir, music ensembles, performing arts and school productions and more.

As a result of the enriched curriculum, pupils of all age groups also take part in 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 school also offers a broad range of co-curricular trips, both local and international. Destinations include New York, Iceland, Spain, Germany, France, Italy, Belgium and Poland supporting knowledge and enrichment in sport, culture, history, art, design, business, IT, language, and geography, as well as for personal growth and an improved understanding of the world. The School also has partnerships with other schools in France, Ghana, Zambia and China, presenting the chance for pupils to experience different teaching approaches, languages and cultures.

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 £8.385m (2018: £8.107m) and total resources expended of £8.634m (2018: £7.646) giving a net deficit of £249k (2018: Surplus £461k) before taking into account the actuarial deficit on the defined benefit pension scheme and capital spend on fixed assets and building infrastructure. The deficit increases to £1,176k (2018: £959k) after the pension deficit, and a cash inflow of £160k (2018: outflow £446k) after capital spend on fixed assets.

Income

As a 'Converter' Academy the main funds 'General Annual Grant' were received via the Education and Skills Funding Agency. Other funds have been received from Gloucestershire County Council (as the Local Authority). The Cotswold School Academy is fortunate to have increasing pupil numbers. There were 1,378 pupils on the Autumn 2018 census compared to 1,378 on the Autumn 2017 census.

With the extended transition period before the full implementation of Fairer Funding (NFF), the position on funding remains quite uncertain. The promise of a minimum funding per pupil of £5,000 per pupil will help the school to achieve a balanced budget in 2019-20. However, at the time of writing, there is no information on the funding of key grants beyond March 2020. The Spending Review remains on hold until 2020 during a time of political uncertainty following 3 years of Brexit negotiations.

The Cotswold School Academy, therefore, continues to work hard at generating additional funding, through grants, sponsorship and donations whilst exercising very tight fiscal control. Three year forecasts are regularly reviewed, endeavouring to forecast best, expected and worse case funding outcomes. Contingency plans are in place to ensure a balanced budget if funding continues to be cut in real terms. This includes cutting staff, increasing class sizes, reducing the curriculum and pastoral support, cutting IT investment and premises maintenance.

Expenditure

The largest expenditure is staff cost. The average teacher headcount has gone up, at 79 FTE (74 FTE 2017-18) in line with the pupil numbers. The staffing structure continues to reflect the Academy's strategy of maintaining 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. The Condition Improvement Funding (CIF) provided in 16/17 and 17/18 has ensured some of the older roof areas have been fully refurbished and well insulated, saving on future maintenance and energy costs. The CIF funding in 2018/19 of £764k will ensure our gym is fit for purpose and improve the security of the school.

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 school's policy is to hold a minimum of £300k in reserves (excluding the fixed asset reserves). This policy is reviewed very year.

The Academy has, in the last 2 years, purposely allowed reserves to exceed the level required by the reserves policy. This is to build a level of reserves to support the school during a planned deficit in 2018/19.

The Cotswold School Academy reserves stand at £15.926m (2018: £17.102). This includes unrestricted funds of £465k (2018: £700k). The decrease in unrestricted reserves of £235k was budgeted on the basis the school will return to a balanced budget in 2019-20. The decrease in total reserves is due the planned deficit and the large pension deficit in 2018-19 as a result of the latest actuarial report.

The Cotswold School Academy Trust

Trustees' Report (continued)

The pension reserve shows a net liability of £2.906m at 31 August 2019 (2018: £1.805m) 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 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. The school will periodically review interest rates and compare with other investment opportunities. The Academy's current policy is only to invest in risk free UK banks.

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 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.

Fundraising

The Cotswold School Academy supports fundraising efforts that support the Academy Development Plan and any pupil led fundraising events that support external charities.

The School works with the Cotswold School PTA as the main avenue to generate funds for the School. The Cotswold School PTA is its own legal entity with charitable status and funds are held separate to the school. The approach taken by the PTA is to raise funds through events and sales, not through individual donations.

The School separately raises funds through various events, local business sponsorship and individual donations to support our nominated external charities and for teaching and learning resources for the School.

The School does not work with any commercial participators or professional fundraisers approach to raise funds but organises all events through its staff and volunteers. Key fundraising activities in the academic year were:

- Rags to Riches clothes recycling scheme
- Sharon Laws Sportive supporting Jo' Cervical Cancer Trust in memory of ex GB Cyclist Sharon Laws
- Bingo nights and school productions

All funds raised and associated expenditure is overseen by the Finance department and Senior Leadership Team, reported on separately in the management accounts and reviewed by the Governors.

Parents are asked for voluntary donations on a very infrequent basis, usually once in any year, to ensure no parent feels pressured into donating.

The Cotswold School Academy Trust

Trustees' Report (continued)

The school has commenced a fundraising campaign to raise funds for a new Sports and Events pavilion as described above. The aim is to create a vibrant, thriving, sports hub for joint use by the school and the local community and extend the reach and accessibility of sport to the local community and beyond. The School is working very closely with local business and clubs to raise the funds and has raised £35k as at the year end. Plans are being developed to support a bid to Sport England for match funding.

Plans for Future Periods

The Academy Development Plan outlines current objectives and targets that will ensure the school continues to deliver an excellent education and broad curriculum for its pupils in the next academic year.

The Trustees' Premises Development Plan is maintained as a working document and aids decision making with regard to prioritising future projects and developments, ensuring the school provides the right environment for learning. This is becoming increasingly more important as the school roll grows each year.

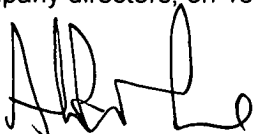
Gloucestershire County Council have forecast pupil numbers rising beyond the current school capacity and have ring-fenced £5.2m of capital funding to allow the school to expand. The plans in principal have been approved by Governors which will allow an additional 1 form entry in 2021-22.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16th December 2019 and signed on the board's behalf by:



Andrew Parker

Trustee

Date:

16/12/19

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 seven 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	5	7
Mr A Parker	7	7
Dr H Warren	5	7
Lady M Dunrossil	5	7
Mr R Hadley	7	7
Mr W Morgan	7	7
Mrs K Ellison	3	7
Dr R Emsley	6	6
Miss C Roffe	2	2
Mrs K Scott	3	7
Mrs L Rowley	5	7
Mr C Riley	5	7
Mr T Redding	7	7
Mr L Campbell	7	7
Mrs K Allison	7	7
Mrs C Taplin	0	7
Mr B Backhouse	2	2
Mrs R Havill	2	2
Mrs F Heming	2	6
Mr J Jones	3	6

The **Board** delegates certain responsibilities to seven sub-committees that regularly meet in order to discharge their responsibilities. A programme of work is agreed in the first Board of Trustees meeting in the academic year that ensures there is robust governance and effective management arrangements. This also ensures timely reporting into the main Board of Trustees meetings. These meetings take place at least 6 times a year.

The **Finance and Audit Committee** is one of the sub-committees 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)

The Finance Committee met four times in the year. Attendance at the meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr R Emsley	4	4
Mr W Morgan	4	4
Lady M Dunrossil	4	4
Mr A Parker	4	4
Mr B Hadley	4	4
Mr C Riley	3	4
Mr C Edwards	3	4
Mrs M Tye	4	4
Mrs A Everitt	1	4

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 through the provision of in-house catering, hiring of the schools' facilities and the delivery of external educational support
- 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 2019 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 2019 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 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 considered the need for a specific internal audit function and decided not to appoint an internal auditor. The Trustees appointed Mrs Kate Franklin (SBM of Winchcombe School) to undertake an independent peer review and audit on the operation of the systems of control. The audit included performing a range of checks on the Academy Trust's financial systems and reviewing the financial controls and procedures in place. The report concluded, and reported to the Board of Trustees, that its financial controls and risk management procedures are operating effectively.

We confirm that the internal audit review has been delivered in line with the ESFA's requirements. There have been no material control issues arising since the report was completed to the date of the approval of the financial statements.

The Cotswold School Academy Trust

Governance Statement (continued)

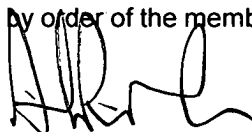
Review of Effectiveness

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 16th December 2019 and signed on its behalf by:



Andrew Parker
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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



Will Morgan

Accounting Officer

Date 16-12-19

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 16th December 2019 and signed on its behalf by:



Andrew Parker

Trustee

The Cotswold School Academy Trust

Independent Auditor's Report to the Members of The Cotswold School Academy Trust for the year ended 31st August 2019

Opinion

We have audited the financial statements of The Cotswold School Academy Trust for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Reference and Administrative details, Trustees' Report and the Governance Statement, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Cotswold School Academy Trust

Independent Auditor's Report to the Members of The Cotswold School Academy Trust for the year ended 31st August 2019 (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Cotswold School Academy Trust

Independent Auditor's Report to the Members of The Cotswold School Academy Trust for the year ended 31st August 2019 (continued)

Auditor's responsibilities for the audit of the financial statements

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

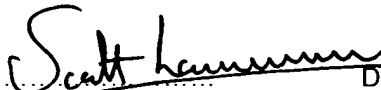
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

 Date..... 19.12.19

Scott Lawrence FCA DChA (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor, Cheltenham

The Cotswold School Academy Trust

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

In accordance with the terms of our engagement letter dated 19th August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cotswold School Academy Trust during year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Cotswold School Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Cotswold School Academy Trust funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In this regard, we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

The Cotswold School Academy Trust

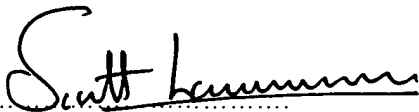
Independent Reporting Accountant's Assurance Report on Regularity to The Cotswold School Academy Trust and the Education and Skills Funding Agency (continued)

Use of our report

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

Conclusion

In the course of our work, except for there being no programme of risk review and checking of financial controls in the year, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Scott Lawrence FCA DChA (Reporting Accountant)

19.12.19
Date

For and on behalf of Hazlewoods LLP,
Statutory Auditor
Windsor House,
Bayshill Road
Cheltenham,
GL50 3AT

The Cotswold School Academy Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
	Note					
Income and endowments from:						
Donations and capital grants	2	27	67	537	631	1,090
Charitable activities	3	821	6,439	-	7,260	6,506
Teaching Schools		-	42	-	42	50
Other trading activities	4	450	-	-	450	459
Investments	5	2	-	-	2	2
Total		1,300	6,548	537	8,385	8,107
Expenditure on:						
Charitable activities:	6	1,082	7,131	377	8,590	7,589
Teaching Schools		-	44	-	44	57
Total		1,082	7,175	377	8,634	7,646
Net income / (expenditure)		218	(627)	160	(249)	461
Transfers between funds	15	(453)	453	-	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	(927)	-	(927)	498
Net movement in funds		(235)	(1,101)	160	(1,176)	959
Reconciliation of funds						
Total funds brought forward		700	(1,805)	18,207	17,102	16,413
Total funds carried forward		465	(2,906)	18,367	15,926	17,102

The notes on pages 28 to 49 form part of these financial statements.

The Cotswold School Academy Trust

Balance Sheet as at 31 August 2019

Company Number 07338767

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	11		17,883		18,207
Current assets					
Stock	12	5		4	
Debtors	13	95		174	
Cash at bank and in hand		1,427		1,085	
		<u>1,527</u>		<u>1,263</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(578)</u>		<u>(563)</u>	
Net current assets			<u>949</u>		<u>700</u>
Net assets excluding pension liability			<u>18,832</u>		<u>18,907</u>
Defined benefit pension scheme liability	24		<u>(2,906)</u>		<u>(1,805)</u>
Total net assets			<u>15,926</u>		<u>17,102</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	15	18,367		18,207	
. Restricted income funds		-		-	
. Pension reserve	15	<u>(2,906)</u>		<u>(1,805)</u>	
Total restricted funds			<u>15,461</u>		<u>16,402</u>
Unrestricted income funds	15		<u>465</u>		<u>700</u>
Restricted income funds					<u>-</u>
Total funds			<u>15,926</u>		<u>17,102</u>

The financial statements were approved by the Trustees and authorised for issue on 16th December 2019 and are signed on their behalf by:



Andrew Parker
Trustee

The notes on pages 28 to 49 form part of these financial statements.

The Cotswold School Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(145)	17
Cash flows from investing activities	20	2	2
Cash flows from financing activities	21	485	(394)
Change in cash and cash equivalents in the reporting period		342	(375)
Cash and cash equivalents at 1 September 2018		1,085	1,460
Cash and cash equivalents at 31 August 2019	22	1,427	1,085

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

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 2018 to 2019 issued by ESFA, 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.

The financial statements of The Cotswold School Academy Trust are 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 2019 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 2019 (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'.

- **Donated fixed assets**

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 2019 (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	10-25%
• 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 2019 (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 2019 (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 ESFA (Education and Skills 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.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement (continued)

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 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 ESFA. Payments received from ESFA 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 2019 £000	Total 2018 £000
Capital grants and S106 monies	-	537	537	1,011
Donations and Voluntary Funds	27	23	50	42
Other donations	-	44	44	37
	<u>27</u>	<u>604</u>	<u>631</u>	<u>1,090</u>

In 2018, of the total income from donations and capital grants, £11k was to unrestricted funds and £1,079k was to restricted funds.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants				
. General Annual Grant (GAG)	-	6,011	6,011	6,069
. Pupil Premium	-	174	174	153
. Other ESFA grants	-	112	112	56
	<u>-</u>	<u>6,297</u>	<u>6,297</u>	<u>6,278</u>
Other Government grants				
. Local authority grants	-	121	121	99
. Special educational projects	-	63	63	31
	<u>-</u>	<u>184</u>	<u>184</u>	<u>130</u>
Other income from the academy trust's educational operations	821	-	821	148
	<u>821</u>	<u>6,481</u>	<u>7,302</u>	<u>6,556</u>

In 2018, of the total funding from the Academy Trust's educational operations, £148k was to unrestricted funds and £6.408m was to restricted funds.

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Rental Income	33	-	33	31
Sale of School Meals	287	-	287	287
Music Tuition Income	96	-	96	99
Consultancy to other schools	34	-	34	42
	<u>450</u>	<u>-</u>	<u>450</u>	<u>459</u>

In 2018, of the total income from other trading activities, £459k was to unrestricted funds.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	2	-	2	2
	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

In 2018, of the total income from investments, £2k was to unrestricted funds.

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2019 £000	Total 2018 £000
		Premises £000	Other £000		
Academy's educational operations:					
. Direct costs	5,368	377	1,314	7,059	6,015
. Allocated support costs	1,040	243	248	1,531	1,574
Teaching School	43	-	1	44	57
	<u>6,451</u>	<u>620</u>	<u>1,563</u>	<u>8,634</u>	<u>7,646</u>

In 2019, of the total expenditure £1.082m (2018: £490k) was to unrestricted funds and £7.552m (2018: £7.003m) was to restricted funds.

Net income/(expenditure) for the period includes:

	2019 £000	2018 £000
Operating Lease Rentals	20	19
Depreciation	377	368
Fees payable to auditor for:		
- audit	10	10
- other services	-	-

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

7 Charitable activities

Direct costs	Total 2019 £000	Total 2018 £000
Direct Costs – educational operations	7,059	6,015
Support costs – educational operations	1,531	1,574
Total direct costs	8,590	7,589

Direct costs	Total 2019 £000	Total 2018 £000
Teaching and educational support staff	5,368	4,929
Depreciation	377	368
Educational supplies	200	143
Educational activities	941	159
Exam fees	152	138
Staff development	11	21
Other	10	257
Total support costs	7,059	6,015

Support costs	Total 2019 £000	Total 2018 £000
Support staff costs	867	870
Pension costs (FRS102 adjustment)	174	153
Technology	34	51
Premises costs	243	274
Other support costs	203	216
Governance costs	10	10
Total support costs	1,531	1,574

During the year ended 31 August 2019 the academy incurred £10k (2018: £10k) 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 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	4,912	4,577
Social security costs	460	428
Operating costs of defined benefit pension schemes	895	844
Pension costs (FRS102 adjustment)	174	153
Apprenticeship levy	10	8
	6,451	6,010

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	91	87
Administration and support	66	69
Management	8	9
	164	163

c. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these members of staff amounted to £40k (2018: £39k).

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 £662k (2018: £703k).

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (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 £100,000 - £110,000 (2018: £100,000 - £110,000)

Employer's pension contributions paid £15,000 - £20,000 (2018: £15,000 - £20,000)

Staff trustee:

Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

Staff trustee:

Remuneration £15,000 - £20,000 (2018: £15,000 - £20,000)

Employer's pension contributions paid £0 - £5,000 (2018: £0 - £5,000)

During the period ended 31 August 2019, 1 trustees received reimbursed expenses of £7 (2018: 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 £10,000,000 on any one claim. The cost for the period ended 31 August 2019 was included within the cost of Department for Education's risk protection arrangement. (2018: included within the RPA cost). 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 2019 (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 2018	19,757	-	419	196	57	20,429
Additions	-	28	22	2	-	52
Transfer from assets under construction	-	-	-	-	-	-
At 31 August 2019	19,757	28	441	198	57	20,481
Depreciation						
At 1 September 2018	1,848	-	255	85	33	2,221
Charged in year	285	-	49	35	8	377
At 31 August 2019	2,133	-	304	120	41	2,598
Net book values						
At 31 August 2018	17,909	-	164	111	24	18,207
At 31 August 2019	17,624	28	137	78	16	17,883

The trust's transactions relating to land and buildings included the commencement of works as a result of Condition Improvement Funds (CIF) to refurbish our gymnasium and enhance the security of the school with additional fencing and a new automated gated entrance to the school. The refurbishment works commenced in July 2019 and are due to complete in February 2020.

12 Stock

	2019 £000	2018 £000
Catering	5	4

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

13 Debtors

	2019 £000	2018 £000
Trade debtors	11	4
VAT recoverable	2	34
Prepayments and accrued income	82	136
	95	174

14 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Other creditors	388	422
Accruals	69	67
Deferred income	121	74
	578	563

	2019 £000	2018 £000
Deferred income		
Deferred income at 1 September 2018	74	104
Released from previous years	(74)	(104)
Resources deferred in the year	121	74
Deferred Income at 31 August 2019	121	74

At the balance sheet date the academy trust was holding funds received in advance of £29k for music tuition fees, £2k for catering cash balances, £17k for ESFA GAG rates relief, £3k for the 6th form bursary and £71k for funds raised towards building a pavilion for the school and other specific projects using donated funds.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	-	6,011	(6,464)	453	-
Pupil Premium	-	174	(174)	-	-
Other grants and donations	-	363	(363)	-	-
Pension reserve	(1,805)	-	(174)	(927)	(2,906)
	(1,805)	6,548	(7,175)	(474)	(2,906)
Restricted fixed asset funds					
DfE/ESFA capital grants	1,203	537	(377)	-	1,364
Capital donations on conversion	17,004	-	-	-	17,004
	18,207	537	(377)	-	18,367
Total restricted funds	16,402	7,085	(7,552)	(474)	15,461
Total unrestricted funds	700	1,300	(1,082)	(453)	465
Total funds	17,102	8,385	(8,634)	(927)	15,926

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

Restricted General Funds: ESFA 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 2019.

Other funds include pupil premium and other donations which are to be spent on various restricted purposes as detailed in the Conditions of Grant 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 and a revenue transfer to the Restricted Fixed Asset fund to cover capital expenditure in the current and previous years.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15 Funds (continued)

Comparatives information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	79	6,069	(6,162)	14	-
Pupil Premium	-	153	(153)	-	-
Other grants and donations	-	254	(265)	11	-
Pension reserve	(2,095)	-	(208)	498	(1,805)
	(2,016)	6,476	(6,788)	523	(1,805)
Restricted fixed asset funds					
DfE/ESFA capital grants	864	361	(22)	-	1,203
Capital donations on conversion	16,452	650	(346)	247	17,004
	17,316	1,011	(368)	247	18,207
Total restricted funds	15,300	7,498	(7,156)	759	16,402
Total unrestricted funds	843	620	(490)	(273)	700
Total funds	16,143	8,107	(7,646)	498	17,102

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

Restricted General Funds: ESFA 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 2018.

Other funds include pupil premium and other donations which are to be spent on various restricted purposes as detailed in the Conditions of Grant 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 and a revenue transfer to the Restricted Fixed Asset fund to cover capital expenditure in the current and previous years.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Fund £000	Restricted Fixed Asset Fund £000	Restricted Income Fund £000	Pension Reserve Fund £000	Total Funds 2019 £000
Tangible fixed assets	-	17,883	-	-	17,883
Current assets	1,043	484	-	-	1,527
Current liabilities	(578)	-	-	-	(578)
Pension scheme liability	-	-	-	(2,906)	(2,906)
Total net assets	465	18,367	-	(2,906)	15,926

Comparatives information in respect of the preceding period is as follows:

	Unrestricted Fund £000	Restricted Fixed Asset Fund £000	Restricted Income Fund £000	Pension Reserve Fund £000	Total Funds 2018 £000
Tangible fixed assets	-	18,207	-	-	18,207
Current assets	1,263	-	-	-	1,263
Current liabilities	(563)	-	-	-	(563)
Pension scheme liability	-	-	-	(1,805)	(1,805)
Total net assets	700	18,207	-	(1,805)	17,102

17 Capital commitments

At 31 August 2019 the Academy had capital commitments relating to the gym refurbishment of £521k, contracted for, but not provided for in the financial statements (2018: £nil).

18 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	20	20
Amounts due between one and five years	55	75
	75	95

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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

	2019 £000	2018 £000
Net incoming resource	(249)	461
Adjusted for:		
Depreciation (note 11)	377	368
Capital grants from DfE and other capital income	(537)	(1,011)
Interest receivable (note 20)	(2)	(2)
Defined benefit pension scheme cost	174	208
Decrease / (increase) in stock	(1)	-
Decrease / (increase) in debtors	78	280
(Decrease) / increase in creditors	15	(287)
Net cash provided by / (used in) Operating Activities	(145)	17

20 Cash flows from investments

	2019 £000	2018 £000
Interest received	2	2
Net cash inflow on investments and service of finance	2	2

21 Capital expenditure and financial investment

	2019 £000	2018 £000
Purchase of tangible fixed assets	(52)	(1,405)
Capital grants from DfE/ESFA	537	361
Capital funding received from sponsors and others	-	650
Net cash provided by / (used in) investing activities	485	(394)

22 Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand and at bank	1,417	1,075
Notice deposits (less than 3 months)	10	10
Total cash and cash equivalents	1,427	1,085

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (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 2016 and of the LGPS 31 March 2016.

The pension charge for the year includes contributions payable to the TPS of £617k (2018: £571k), at the year-end £79k (2018: £73k) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

- employer contribution rates remain set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191.5 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176.6 billion giving a notional past service deficit of £15 billion
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers will pay an increased contribution rate of 23.6% from September 2019 (plus an administration levy of 0.08%).

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 2019 was £349k (2018: £346), of which employer's contributions totalled £287k (2018: £283k) and employees' contributions totalled £62k (2018: £62k). The agreed contribution rates for future years are 28% (2018: 27.7%) per cent for employers and at an average of 5.3% (2018: 6%) 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 2019	At 31 August 2018
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment/inflation	2.3%	2.4%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation assumption (CPI)	2.4%	2.4%
Commutation of pensions to lump sums	68.00%	68.00%

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

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	21.5	22.4
Females	23.7	24.6
Retiring in 20 years		
Males	22.3	24.0
Females	25	26.4

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	2,668	2,449
Government bonds	1,026	745
Cash	82	71
Property	328	284
Total market value of assets	4,104	3,549
Present value of scheme liabilities	(7,010)	(5,354)
Deficit on the scheme	(2,906)	(1,805)

Amount recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost	397	437
Past service cost	12	-
Interest cost	156	135
Expected return on plan assets	(104)	(80)
Employer contributions	(287)	(284)
Total amount charged to SOFA	174	208

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

	2019 £000	2018 £000
At 1 September	5,354	5,150
Current service cost	397	437
Past service cost	12	-
Interest cost	156	135
Employee contributions	62	62
Actuarial (gain)/loss	1,453	(402)
Benefits paid	(34)	(28)
Changes in Demographic Assumptions	(390)	-
At 31 August	7,010	5,354

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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

	2019 £000	2018 £000
At 1 September	3,549	3,055
Interest income	104	80
Actuarial gain/(loss)	136	96
Employer contributions	287	284
Employee contributions	62	62
Benefits paid	(34)	(28)
At 31 August	4,104	3,549

25 Current Liabilities

Guaranteed Minimum Pension (GMP) Equalisation is a requirement to equalise the Guaranteed Minimum Pension benefits accrued between 1990 and 1997 from contracting out of the State Earnings Related Pension Scheme based on the principles outlined in the judgement of the "Lloyds Bank" High Court case in October 2018. The actuarial valuation prepared for the Local Government Pension Scheme (as disclosed in Note 26) does not currently included an adjustment for GMP Equalisation, as the fund actuary considers that a 'trigger event' is yet to occur in the LGPS. The trigger event referred to in this instance is that Government are yet to confirm the long term solution and hence the potential impact of GMP equalisation remains an unknown. In view of this continuing uncertainty, no provision has been made in these financial statements in relation to this matter.

26 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.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures.

27 Agency arrangements

The Academy Trust distributes 16-19 Bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust received £23,415 (including £4,571 of funds brought forward from the prior year) and disbursed £20,242 from the fund. An amount of £3,172 is included in other creditors relating to undistributed funds that is repayable to the ESFA.

The Cotswold School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

27 Teaching School Trading Account

	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Income						
Direct income		40,000			50,000	
Other income		2,178			1,157	
Total income			42,178			51,157
Expenditure						
Direct costs						
- Direct staff costs	40,673			48,043		
- Staff development	-			619		
- Other direct costs	-			-		
Total direct costs		(40,673)			(48,662)	
Other costs						
- Support staff costs	2,833			2,242		
- Depreciation	-			-		
- Technology costs	-			194		
- Recruitment and support	-			2,938		
- Security and support	-			-		
- Other support costs	864			3,304		
- Share of governance costs	-			-		
Total other costs		(3,697)			(8,678)	
Total expenditure			(44,370)			(57,340)
Transfers between funds						-
(Deficit)/Surplus from all sources			(2,192)			(6,183)
Balance at 1 September 2018			(3,802)			2,381
Balance at 31 August 2019			<u>(5,994)</u>			<u>(3,802)</u>