

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details of the Academy Trust, its Trustees and Advisors	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 21
Independent Reporting Accountant's Assurance Report on Regularity	22 - 23
Statement of Financial Activities	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 48

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Trustees

J Bakker, Chair^{3,4}
M Williams, Vice Chair^{1,4}
R J Shimwell, Vice Chair (resigned 22 July 2016)^{3,4}
K Defter, Head Teacher^{1,3,4}
J Birnie²
J Bourne (appointed 1 February 2016)
E Carter (appointed 1 February 2016)
P Clarke¹
A Edwards²
J Evans³
A Fidan¹
E Ford²
D Mason, Chair of Curriculum^{2,4}
G Parmenter¹
J Pinn (appointed 1 February 2016)
J Robinson (resigned 31 December 2015)^{1,4}
D Skinner, Chair of Finance & Planning¹
N Weaver³
L Whetman²
G Williams²
D Wilson¹

- 1 Finance and Planning committee
2 Curriculum committee
3 Personnel and Student Welfare committee
4 Chairs' Coordinating Group

Company registered number 07682819

Company name The Commonweal School

Principal and Registered office Old Town
The Mall
Swindon
Wiltshire
SN1 4JE

Company secretary J Sear

Accounting Officer K Defter

Senior management team

K Defter, Headteacher & Accounting Officer
B Linnegar, Deputy Headteacher
P Battye, Assistant Headteacher
C Drew, Assistant Headteacher
S Cutler, Assistant Headteacher
J Matcham, Assistant Headteacher, Head of Sixth Form
V Johnson, Business Manager
L Pardy, Assistant Business Manager
L Forrester, Seconded to SMT- Senior Teacher

**THE COMMONWEAL SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Advisers (continued)

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

Bankers Lloyds Bank Plc
5 High Street
Swindon
SN1 3EN

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 19 in Swindon. It has a pupil capacity of 1,450 and had a roll of 1,344 in the school census on 16 September 2016.

The Commonweal School is a genuinely comprehensive 11 -19 mixed secondary school in the Old Town Community of Swindon. Students on role come from a diverse range of backgrounds, both socio-economically and linguistically with over 40 nationalities represented.

Students come from 4 principal wards, although the demography of the cohort is further complicated by 2 specialised units which draw from further afield, impacting on exam results, attendance and behaviour statistics.

As of September 2016, the school has;

- 20 students in the Physically Impaired Unit
- 27 students in the SPLD Unit

The school's inclusivity is also reflected by the fact that it has 2 visually impaired student, 27 MSEND students and a number of students on the Autistic Spectrum on roll. In short the school has more students with Education Healthcare Plans than some designated special schools. As of Summer Term 2016 there were 330 students receiving some form of intervention.

The school reserves up to 15 places per Year 7 cohort for students able to demonstrate genuine ability in the Performing Arts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Charitable Company is known as The Commonweal School.

The Trustees of The Commonweal School are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £2,000,000.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 August 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- Up to 10 Appointed Trustees who are appointed by members;
- Up to 7 Parent Trustees who are elected by Parents of registered students at the Academy (a minimum of 2 Parent Governors to be in office at any time);
- Up to 3 staff Trustees appointed by the school staff, including a minimum of one teacher and one support staff member; and
- The Headteacher who is treated for all purposes as being an ex officio Governor.

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has implemented a Trustee Recruitment, Induction and Training policy, available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

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

There are 4 committees as follows:

- Finance and Planning Committee - this meets once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial and premises management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Personnel and Student Welfare Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to staffing and student welfare, including safeguarding of children.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

- Chairs' Coordinating Group – this meets regularly between meetings of the Full Governing Body to coordinate agendas and discuss overarching issues related to school governance and management.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, Associate Headteacher, Acting Deputy Headteacher, Head of 6th Form, three Assistant Headteachers, the Business Manager, and two Associate members on temporary secondments. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Management Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay ranges for key management personnel have been established in accordance with the School Teachers' Pay and Conditions Document (STPCD). Pay for these personnel is reviewed annually and normally increased in accordance with the STPCD.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with its feeder primary schools and also has an active Parent Teacher Association (PTA). There are no related parties which either control or significantly influence the decisions and operations of The Commonweal School.

The Headteacher and two of the Senior Management Team are trustees of the Charles Adam Prize Fund, a charity with the objective of raising funds, through investments, for the Academy's science facility. Further details on the Charles Adam Prize Fund are disclosed in Note 24 of these financial statements.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on the Performing Arts.

The aims of the Academy during the period ended 31 August 2016 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all students;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective learners;
- To enhance the tertiary provision and outcomes;
- To develop the Academy site so that it enables students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To maximise the number of students who achieve 5 A*-C GCSE grades including English and Maths;
- To provide value for money for the funds expended;
- To develop greater coherence, clarity and effectiveness in school systems;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce;
- To develop the Academy's capacity to manage change; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At The Commonweal School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which students, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities
September 2015– August 2016**

1. Academic performance:

- Key Stage 4:

Measure	Target All	Target PP	Target Non PP	Achievement All	Achievement PP	Achievement Non PP
Attainment 8	5.2	4.7	5.4	5.0	4.1	5.2
Progress 8	N/A	N/A	N/A	+0.20		
5 or more A*-C (includ. Eng & Maths)	62%	55%	66%	63%	48%	67%
5 or more A*-G	97%	96%	98%	98%	93%	100%
English: Progress 3 Levels	73%	70%	75%	85%	78%	87%
Maths: Progress 3 Levels	68%	65%	71%	73%	58%	78%
English: Progress 4 Levels	36%	33%	38%	46%	31%	50%
Maths: Progress 4 Levels	31%	26%	33%	38%	23%	34%
3 or more A*-A	17%	10%	20%	21%	13%	24%

- Key Stage 5:

Group	No. of Entries	No. of A*-B	% of A*-B	National % of A8/A (2015)**	No. of A*-E	% of A*-E	National % of A*-E (2015)**
All A-Levels	121	71	59	26.7	121	100	98.8
Boys	57	31	54	26.6	57	100	98.4
Girls	64	40	63	26.7	64	100	99.0
Disadvantaged	3	1	33	n/a	3	100	n/a
Prior Att Quartile (1-High)	59	45	76	n/a	59	100	n/a
Prior Att Quartile (2)	39	20	51	n/a	39	100	n/a
Prior Att Quartile (3)	14	6	43	n/a	14	100	n/a
Prior Att Quartile (4-low)	9	0	0	n/a	9	100	n/a

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

Key Measures	Commonweal 2016	National 2015	Swindon 2015
A*-B (A-Level)	59.0	53.0	-
A*-E (A-Level)	100.0	98.0	-
3+ A*-E (A-Level)	84.0	78.7	71.3
2+ A*-E (A-Level)	95.0	92.2	89.4
AAB in 2 facilitating subjects	7.0	14.7	-
3+ A-E or Equ	84.0	79.3	-
2+ A*-E or Equ	95.0	92.4	-

GCSE examination results for 2016 were very pleasing and showed a significant improvement from 2015 (which were also good). 63% of students achieved the now defunct headline measure of 5 or more A*-C grades including English and maths (compared with 60% in 2015), surpassing the FFT D target of 62%. In addition the new headline measure (Attainment 8) score was 5.0. This was up from 4.8 in 2015. These improvements came despite the cohort having the same prior attainment as year 11 2015.

These attainment scores represent very strong progress. The Progress 8 score is provisionally estimated at +0.20. This means Commonweal students made statistically significantly better progress than all students nationally. In addition more Commonweal students made the expected progress in English and maths than is the case nationally (82 and 73% respectively).

2. Student performance:

- Curriculum changes / new syllabi: work completed, syllabi in place for September 2016 and resources available;
- Revised data / tracking: new tracking system populated, staff training complete
- Calendar: school calendar agreed and improvements made to reduce absence for school activities for students in exam groups;
- Homework: good progress made, but some further work to be completed to fully meet target;
- Toolkit: in place, but needs to be revisited to make further adjustments;
- Revised Quality Assurance: in place and working effectively;
- TDD / Twilight use: improvements made, more advance planning to be put in place for the following year; and
- Interventions & Support: vulnerable groups focus, especially pupil premium: a full programme of interventions was delivered during the year

Objectives mostly met: the results are provisional.

3. Future Proofing:

- 'Saving Swindon': there had been significant input to this by Commonweal staff, but the whole project had not so far been effective;
- Cluster collaboration: higher level of collaboration during the year, with work carried out towards 'life beyond levels', joint training, transitions and support functions, amongst other areas;
- MAT / Academy Sponsor, continued exploration: Governors explored at length and keeping a watching brief;
- Ofsted-readiness: full review of SEF showed good progress. Further work to be carried out on Behaviour for Learning, employability skills and renewing 'Healthy Schools' status;
- Governor training: much completed, but continuing as a priorities for governors; and
- PAN / student recruitment at 11 & 16: significant improvements in Sixth Form recruitment and marketing lead to 149 joining Year 12 in September 2016. A full PAN of 230 admitted into Year 7.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

Objectives met: some areas requiring further work to embed changes, as reflected in the 2016-19 School Development Plan.

4. Support Functions:

- Budget: tight control maintained throughout the year, with effective and regular monitoring of performance and cash flow. Significant savings made to improve the school's financial position, but cuts in funding by the Local Authority are likely to make this an on-going priority;
- Premises (room conversions; EFA application(s); upkeep of premises): CIF application submitted for a new Music Block was not successful – to be resubmitted in the next round and contingency plans to be finalised to rehouse Music elsewhere, should the condition of the existing block deteriorate further. Toilet and CCTV upgrades complete;
- Ongoing review of communication & financial systems (e.g. School Gateway & BACS): School Gateway fully in place with online payments used for both trips and school meals. BACS to be a priority for 2016-17;
- Procurement: comprehensive processes carried out for a number of contracts, as identified in the Value for Money review within the governance statement; and
- Recruitment & retention of staff: all posts successfully filled with high quality staff for September 2016, and retention continues to be extremely good in most areas.

Objectives largely met: progress made in all aspects, but some areas ongoing (as noted above).

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Swindon and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of the Performing Arts. The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools. Our named school upon applying for Academy status was Lethbridge Primary School. We support this school through use of our premises and specialist skills in all relevant areas, as identified through our Partnership Development Plan.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Academy is in its sixth year of operation and has met the forecast number of students. Numbers are steadily increasing as the Sixth Form enters its third year of operation. The Academy is full in all year groups at 11-16 and has a waiting list in operation, despite increasing its PAN to 230.

Numbers in the Sixth Form are predicted to increase over time, with 67 students starting in Year 12 in September 2015 and 149 starting in September 2016.

Examination results for 2016 represented an improvement in GCSE results, with 63% of students gaining 5 or more A*-C grades including English and Maths (compared with 60% in 2015). This exceeded the target of 62%.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

Teaching and learning reviews have been undertaken in all subjects and curricular priorities for the coming year will focus on:

- Ensuring consistently good outcomes in all years
- KS2-3 transition review
- A review of KS3
- Implementation of a 'life beyond levels' assessment system
- Support for vulnerable students (including Pupil Premium and SEND)
- Curriculum management, including Independent Learning, Sixth Form consolidation & Quality Assurance

To ensure that standards are continually assessed, the Academy operates an intensive programme of Monitoring and Evaluation, which includes learning walks, lesson observations undertaken by the Department or Faculty Heads and the Senior Management Team and internal 'Ofsted' style subject inspections. All SMT, Heads of Faculty and Sixth Form managers have received updated Ofsted training.

The number of fixed terms exclusions were marginally higher than in 2014-15, but the number of days that student missed education due to an exclusion had reduced. The school upheld its behaviour policy, and excluded when necessary, ensuring that these students were excluded on a short term basis and did not miss education for too long. One permanent exclusion was made. Student attendance remained high as a result of new procedures and sanctions put in place. The attendance rate was at 95.4% by the end of the year.

The Academy was last inspected by OFSTED in February 2014 and was judged to be Good in all areas.

Continuing professional development for staff has been very successful with the vast majority of staff participating in training programmes, all of which feed in to our SDP.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date, which are assessed against future requirements. Restricted (excluding the pension deficit and restricted fixed asset fund) and unrestricted reserves carried forward at the year end were £367,030 and £185,876 respectively.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for September 2016 were 1,344, an increase of 86 over 2015. It is anticipated that this number will continue to rise, especially as numbers in the Sixth Form increase towards its capacity of 300.

The following significant KPI's were set at the start of the year:

	Target	Actual	2014-2015
Total revenue income per student	£6,094	£6,183	£6,447
Ratio of staff costs to revenue income	80.5%	77.1%	81.7%
Ratio of GAG to total revenue income	90.9%	81.7%	81.4%

Going Concern

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

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, total expenditure of £7,865,869 was covered by recurrent grant funding from the DfE, together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £229,827.

At 31 August 2015 the net book value of fixed assets was £17,854,594 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Land and buildings were professionally valued on 31 August 2012 at £22,815,192. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy deficit on the Local Government Pension Scheme in respect of its support staff is detailed in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the major incident plan, procurement, debt recovery, lettings and health and safety.

Trustees have adopted an Internal Audit policy and appointed Financial Services 4 Schools, to undertake a programme of internal checks on financial controls. During the year, the Trustees received 3 reports from the Internal Auditor which contained no matters of significance.

Reserves Policy

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

The Trustees have reviewed the future plans of the Academy and decided to use reserves towards staffing of the Sixth Form until numbers stabilise, resourcing of a new facility (if a capital bid is successful) and the repayment of the Salix Loan.

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

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and School Business Manager within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

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

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year the Academy saw a drop in funding levels due to changes made to the funding formula and SEND top-up levels by the Local Authority. This has placed significant pressure on the Academy to continue to deliver the same quality of education with less funding. The budget for 2016-17 has been adjusted to allow for these reductions, but continuous monitoring will be required. The Academy is also aware of the risk that employer's pension contributions may increase for both LGPS and Teachers' Pension schemes over the next few years. As a result of the issues outlined above a potential drop in reserves is considered to be a risk, making sound financial planning and cash flow monitoring a priority.

Strategic - competition for students is considered to be a notable risk, especially with the planned opening of a new Free School in the local area. In order to counter this risk the Academy has worked hard to develop its marketing strategy, whilst also continuing to maintain its excellent reputation, and to continue and develop strong links with the local community and feeder schools. Local Authority predictions indicate that any dip in number entering Year 7 should be short-term, so the priority continues to be the proactive marketing and success of the Sixth Form.

Operational - changes in key personnel within the Senior Management Team were considered to be a significant risk, but this has been managed through effective recruitment and succession planning. The financial impact on the Academy's ability to fulfil its' strategic and operational priorities in the future was seen to be a risk; Academy staff will contribute actively to consultations on future funding changes as a result. Lack of stability in Sixth Form numbers poses a risk to the operation of the Key Stage 5 provision; this is being countered through budget setting and student recruitment efforts.

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

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

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

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

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

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

During the establishment of the Sixth Form there has been some fluctuation in student numbers, which is expected to reduce once the provision becomes well established. In the meantime there will continue to be additional revenue costs associated with the programme in order to ensure that the full range of courses can be offered, and hence the Board of Trustees plans to utilise the majority of existing reserves and any surplus from 2015/16 towards the successful implementation of year 3 of the Sixth Form. It is anticipated that increasing numbers will make the Sixth Form financially sustainable by 2018/19.

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

Full details of our plans for the future are given in our Academy Development Plan which available from the Clerk to Trustees.

AUDITORS

In so far as the Trustees are aware:

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

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

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



Dr Jokie Bakker
Chair of Trustees

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 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
J Bakker, Chair	6	6
M Williams	6	6
R J Shimwell	6	6
K Defter, Head Teacher	6	6
J Birnie	5	6
J Bourne	4	4
E Carter	4	4
P Clarke	3	6
A Edwards	4	6
J Evans	4	6
A Fidan	5	6
E Ford	6	6
D Mason, Chair of Curriculum	5	6
G Parmenter	3	6
J Pinn	3	4
J Robinson	1	2
D Skinner, Chair of Finance & Planning	5	6
N Weaver	4	6
L Whetman	4	6
G Williams	5	6
D Wilson	6	6

The Finance and Planning Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve, monitor and review the school budget, implement premises maintenance and asset management plans, and to ensure that relevant health and safety standards are met in the school.

Issues that have been dealt with over the period included: review of the Risk Register and approval of the 2014-15 Trustee Report and Annual Accounts; approval of the 2016/17 budget; approval of selected suppliers for cleaning and grounds maintenance contracts.

During the year J Bourne, joined the committee whilst J Robinson resigned as a Trustee at the Academy and hence left the committee.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bourne	3	4
P Clarke	5	6
K Defter	5	6
A Fidan	3	6
J Robinson	2	2
D Skinner	5	6

Governance review

During their final meeting of the year the Board carried out a governance review, using the Tool for Facilitated Self-Review provided by the NCTL. This covered the following areas:

- Clarity of vision, ethos and strategic direction
- Holding the Headteacher to account for the educational performance of the school and its pupils
- Overseeing the financial performance of the school and making sure its money is well spent
- Effective Governance practice

To carry out the review the Board split into 4 groups, each containing governors from all 3 sub-committees and taking one area for review. Findings were then fed back and discussed by the Board in order to identifying areas for development and actions required. Findings from each group were as follows:

Ensure clarity of vision, ethos and strategic direction

Governors agreed they met criteria for formulating a vision and strategy. Governors established and reviewed policies. Practice and procedures are operational, and governors observed positive impacts of their successful application, such as outcomes for student achievements and progress, governor present at staff interviews

- Action: Personnel and Student Welfare and Curriculum committees to conduct an audit on radicalisation.

Holding the Headteacher to account for the educational performance of the school and its pupils

Governors considered the board to be fully compliant with the expectations outlined in this section, and positive impacts on all aspects of performance management, were noted.

Overseeing the financial performance of the school and making sure its money is well spent

Governors decided that the board were fully compliant with all the relevant categories of judgement. It was decided that not all governors had the same depth of knowledge, although there was a lot of specialised knowledge in the Committees.

- Action: The group believed that committee membership should rotate. A re-appointed governor should be asked to consider moving to a new committee.

Effective Governance Practice

Governors felt all recommended actions were carried out every year, having a positive impact on the organisation, running and skill level of the governing board. Many governors followed training sessions, and all were aware of the importance of the strategic role. Specific initiatives, such as behaviour for learning, are actively monitored.

- Action: Invite C6 representatives to attend Full Governing Body meeting.
- Action: Governors to report on training undertaken to their committees.

Governors experienced this exercise as positive, and another self-review is planned at the end of the next academic year.

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy'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 has delivered improved value for money during the year by:

1. Marketing school facilities

The Academy wished to maximise income, and at the end of the last academic year it was identified that there was scope for significant increase in lettings income through promotion of the attractive and well-equipped Sixth Form block, with a number of areas suitable for lettings and other uses. During the year there has been a focus on marketing these facilities, with an open evening held for potential hirers and expert technical advice offered where appropriate.

Outcome: income from lettings has more than doubled during 2015-16 (increasing by 232%), with a similar number of bookings expected during the next academic year. This additional income directly benefits the students and the academic provision at the school, with minimal overheads incurred.

2. Grounds maintenance contract review

The current grounds maintenance contract was due to expire on 31 August 2016, so a full review was carried out to enter into a new 3 year contract. The school decided to use the ESPO Grounds Maintenance framework, but also to include the current contractor and other recommended suppliers in the local area. Contractors were invited to provide responses to a number of questions as a basis for an assessment of quality (60%), and to provide a financial breakdown for first and subsequent years of operation so that the Academy could carry out a financial evaluation (40%).

Outcome: the successful contractor was able to offer a small saving on the price previously paid, against a significantly increased specification of service. Improved monitoring and evaluation systems will ensure that the service is delivered in line with this specification.

3. Outsourcing of cleaning

With the addition of the Sixth Form building from September 2014 the school had been operated both internally managed and outsourced cleaning on site. The contract in the Sixth Form was being completed through a one year contract, and internal management of a large body of staff was beginning to be an administrative burden on the school. It was therefore decided that it would be advantageous to contract out cleaning for the whole site on a 3 year initial term, including aspects previously arranged separately (such as window and carpet cleaning). The school appointed a tender management company to run the process, in order to ensure full compliance with OJEU and other regulations.

Outcome: the school shortlisted 3 cleaning contractors based on written responses and provision of financial information. Following presentations and further questioning a contractor was selected, and the new cleaning contract commenced on 1 January 2016. The cleaning contract represents a slight increase in price, but releases significant staff time due to reduced management and administration burdens. An annual review of price should bring about savings in the future. The new contract has brought an improvement in the cleanliness and appearance of the school buildings, and also allows absence cover to be managed more effectively, giving consistency of service.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Commonweal School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Planning 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Financial Services 4 Schools as internal auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems;
- Testing of purchase systems;
- Checking and analysis of income; and
- Testing of control account/bank reconciliations

On a termly basis, the auditor reports to the Finance and Planning Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. All reports were received to this schedule, and no material control issues were identified.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy 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 Planning Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

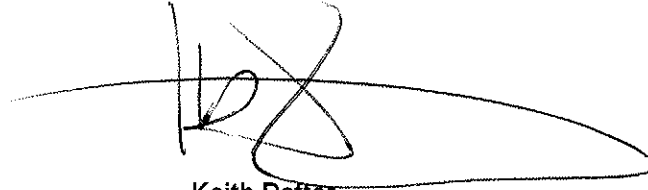
**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on their behalf, by:



**Dr Jokie Bakker
Chair of Trustees**



**Keith Deffer
Accounting Officer**

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

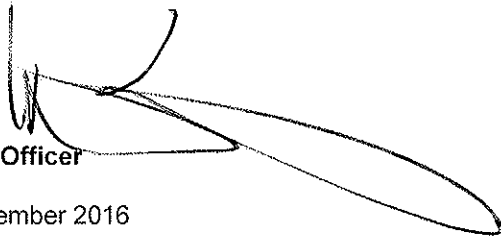
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Commonweal School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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

K Defter
Accounting Officer

A handwritten signature in black ink, appearing to read 'K Defter', written over a horizontal line. The signature is stylized and extends to the right.

Date: 5 December 2016

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016**

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

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

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

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

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

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

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



Dr Jokie Bakker
Chair of Trustees

Date: 5 December 2016

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE COMMONWEAL SCHOOL**

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

This report is made solely to the Academy'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's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

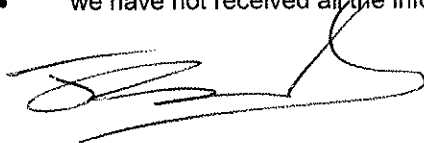
**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE COMMONWEAL SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 13/12/16

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
COMMONWEAL SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Commonweal School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE COMMONWEAL SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Commonweal School's funding agreement with the Secretary of State for Education dated 01 August 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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

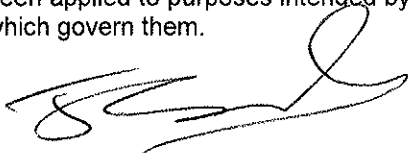
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
COMMONWEAL SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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



Joseph Scaife FCA DChA (Reporting Accountant)

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

Date:

13/12/16

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	75,002	27,086	203,978	306,066	200,569
Charitable activities	3	24,299	7,457,137	-	7,481,436	7,052,419
Other trading activities	4	48,434	-	-	48,434	20,807
Investments	5	1,578	-	-	1,578	818
TOTAL INCOME		149,313	7,484,223	203,978	7,837,514	7,274,613
EXPENDITURE ON:						
Charitable activities		64,021	7,339,688	462,160	7,865,869	7,649,499
TOTAL EXPENDITURE	6	64,021	7,339,688	462,160	7,865,869	7,649,499
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	85,292	144,535	(258,182)	(28,355)	(374,886)
		-	(63,404)	63,404	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		85,292	81,131	(194,778)	(28,355)	(374,886)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(1,090,000)	-	(1,090,000)	27,000
NET MOVEMENT IN FUNDS		85,292	(1,008,869)	(194,778)	(1,118,355)	(347,886)
RECONCILIATION OF FUNDS:						
Total funds brought forward		100,584	(991,101)	17,400,656	16,510,139	16,858,025
TOTAL FUNDS CARRIED FORWARD		185,876	(1,999,970)	17,205,878	15,391,784	16,510,139

The notes on pages 27 to 48 form part of these financial statements.

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07682819

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		17,854,594		18,152,080
CURRENT ASSETS					
Debtors	14	259,973		160,632	
Cash at bank and in hand		836,521		527,010	
		<u>1,096,494</u>		<u>687,642</u>	
CREDITORS: amounts falling due within one year	15	<u>(465,424)</u>		<u>(370,431)</u>	
NET CURRENT ASSETS			<u>631,070</u>		<u>317,211</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,485,664</u>		<u>18,469,291</u>
CREDITORS: amounts falling due after more than one year	16		<u>(726,880)</u>		<u>(765,152)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,758,784</u>		<u>17,704,139</u>
Defined benefit pension scheme liability	22		<u>(2,367,000)</u>		<u>(1,194,000)</u>
TOTAL NET ASSETS			<u><u>15,391,784</u></u>		<u><u>16,510,139</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
General funds	18	367,030		202,899	
Fixed asset funds	18	<u>17,205,878</u>		<u>17,400,656</u>	
Restricted income funds excluding pension liability		<u>17,572,908</u>		<u>17,603,555</u>	
Pension reserve		<u>(2,367,000)</u>		<u>(1,194,000)</u>	
Total restricted income funds			<u>15,205,908</u>		<u>16,409,555</u>
Unrestricted income funds	18		<u>185,876</u>		<u>100,584</u>
TOTAL FUNDS			<u><u>15,391,784</u></u>		<u><u>16,510,139</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

J Bakker

Dr Jokie Bakker
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>352,372</u>	<u>289,349</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,578	818
Proceeds from the sale of tangible fixed assets		2,000	-
Purchase of tangible fixed assets		(163,708)	(168,185)
Capital grants from DfE/EFA		156,540	114,303
Net cash used in investing activities		<u>(3,590)</u>	<u>(53,064)</u>
Cash flows from financing activities:			
Repayments of borrowings		(39,271)	(33,272)
Net cash used in financing activities		<u>(39,271)</u>	<u>(33,272)</u>
Change in cash and cash equivalents in the period		309,511	203,013
Cash and cash equivalents brought forward		<u>527,010</u>	<u>323,997</u>
Cash and cash equivalents carried forward	21	<u><u>836,521</u></u>	<u><u>527,010</u></u>

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

The Headteacher and other staff members are the Trustees of the Charles Adam Prize Fund, a charity with the objective of holding investments to provide dividend income for the Academy's science facility. The Trustees accept that in substance the Academy may control the Fund but do not consider its exclusion to be material or misleading to the users of the financial statements. At the year end the Fund held investments of £99,561 (2015: £89,680) and cash of £Nil (2015: £12,105).

The Commonweal School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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

1.4 INCOME

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

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

Freehold property	-	50 years straight line
Motor vehicles	-	10 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	5 years straight line

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.10 OPERATING LEASES

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

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.11 TAXATION

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 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 22, 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.

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 AGENCY ARRANGEMENT

The Academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 100% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 27.

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy trust 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 22, 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.

Critical areas of judgment:

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

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

2. INCOME FROM DONATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	75,002	27,086	-	102,088	86,266
Capital Grants	-	-	203,978	203,978	114,303
	<u>75,002</u>	<u>27,086</u>	<u>203,978</u>	<u>306,066</u>	<u>200,569</u>
Total donations and capital grants	<u>75,002</u>	<u>27,086</u>	<u>203,978</u>	<u>306,066</u>	<u>200,569</u>

In 2015, £49,405 of the total income from donations was unrestricted and £151,164 was restricted.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	6,352,466	6,352,466	5,916,683
Pupil Premium	-	210,351	210,351	203,276
Other DfE/EFA grants	-	39,998	39,998	49,833
	<u>-</u>	<u>6,602,815</u>	<u>6,602,815</u>	<u>6,169,792</u>
Other Government grants				
High Needs	-	637,723	637,723	623,891
	<u>-</u>	<u>637,723</u>	<u>637,723</u>	<u>623,891</u>
Other funding				
Educational visits income	-	128,797	128,797	157,006
Other	24,299	87,802	112,101	101,730
	<u>24,299</u>	<u>216,599</u>	<u>240,898</u>	<u>258,736</u>
	<u>24,299</u>	<u>7,457,137</u>	<u>7,481,436</u>	<u>7,052,419</u>

In 2015, £1,615 of the total income from charitable activities was unrestricted and £7,050,804 was restricted.

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	<u>48,434</u>	<u>-</u>	<u>48,434</u>	<u>20,807</u>

In 2015 all of the income from other trading activities was unrestricted.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	<u>1,578</u>	<u>-</u>	<u>1,578</u>	<u>818</u>

In 2015 all of the investment income was unrestricted.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	5,107,791	-	570,263	5,678,054	5,486,384
Support costs	921,521	704,601	561,693	2,187,815	2,163,115
	<u>6,029,312</u>	<u>704,601</u>	<u>1,131,956</u>	<u>7,865,869</u>	<u>7,649,499</u>

In 2016 £64,021 (2015: £61,474) of the total expenditure, was unrestricted and £7,799,897 (2015: £7,547,025) was restricted.

7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	23,000	21,000
Educational supplies (including educational visits)	441,035	461,494
Examination fees	103,758	103,094
Other costs	2,470	2,694
Wages and salaries	4,065,240	3,941,306
National insurance	337,797	286,328
Pension cost	704,754	670,468
	<u>5,678,054</u>	<u>5,486,384</u>

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	23,000	21,000
Staff development	32,125	19,152
Supply support staff	8,756	151
Recruitment and support	10,664	17,258
Maintenance of premises and equipment	59,477	63,215
Cleaning	146,072	66,407
Rent and rates	32,424	29,725
Energy costs	114,366	109,786
Insurance	36,174	60,470
Security and transport	21,581	23,602
Catering	53,798	51,808
Technology costs	30,820	63,427
Office overheads	46,780	74,325
Legal and professional	174,270	168,781
Bank interest and charges	117	160
Governance	22,466	14,165
Wages and salaries	697,523	762,850
National insurance	41,959	35,827
Pension cost	173,283	133,777
Depreciation	462,160	447,229
	<u>2,187,815</u>	<u>2,163,115</u>

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	462,160	447,229
Auditors' remuneration - audit	7,500	7,500
Auditors' remuneration - non-audit	2,250	2,250
Operating lease rentals	7,162	12,888
	<u>479,072</u>	<u>470,067</u>

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,762,763	4,704,156
Social security costs	379,756	322,155
Operating costs of defined benefit pension schemes	878,037	804,245
	<u>6,020,556</u>	<u>5,830,556</u>
Supply teacher costs	8,756	151
Staff restructuring costs	-	15,623
	<u>6,029,312</u>	<u>5,846,330</u>

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

	2016 No.	2015 No.
Teachers	79	80
Teaching assistants	50	53
Administration and other support	49	74
Management	9	6
	<u>187</u>	<u>213</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	75	74
Teaching assistants	30	31
Administration and other support	39	47
Management	8	6
	<u>152</u>	<u>158</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £110,001 - £120,000	1	1

The above two employees received total employer pension contributions of £30,273 (2015: £25,483).

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pensions contributions) received by key management personnel for their services to the Academy was £676,532 (2015: £596,715).

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of the key managements personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES REMUNERATION

During the year retirement benefits were accruing to 4 Trustees (2015: 4) in respect of defined contribution pension schemes.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: K Defter, Remuneration £115,000 - £120,000 (2015: £115,000 - £120,000) Employer's Pension Contributions £15,000 - £20,000 (2015: £15,000 - £20,000); G Williams, Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000) Employer's Pension Contributions £5,000 - £10,000 (2015: £5,000 - £10,000); L Whetman, Remuneration £35,000 - £40,000 (2015: £35,000 - £40,000) Employer's Pension Contributions £5,000 - £10,000 (2015: £0 - £5,000); N Weaver, Remuneration £20,000 - £25,000 (2015: £20,000 - £25,000) Employer's Pension Contributions £0 - £5,000 (2015: £0 - £5,000).

K Defter's remuneration includes remuneration for his role as a National College Associate which is externally funded. During the period ended 31 August 2016, expenses totalling £2,441 (2015: £538) were reimbursed to 4 Trustees (2015: 4).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,276 (2015: £1,272).

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	18,875,374	57,792	299,511	204,120	19,436,797
Additions	143,016	-	9,148	13,214	165,378
Disposals	-	-	(3,884)	-	(3,884)
At 31 August 2016	<u>19,018,390</u>	<u>57,792</u>	<u>304,775</u>	<u>217,334</u>	<u>19,598,291</u>
DEPRECIATION					
At 1 September 2015	1,035,193	15,958	104,861	128,705	1,284,717
Charge for the period	352,509	5,779	61,095	42,777	462,160
On disposals	-	-	(3,180)	-	(3,180)
At 31 August 2016	<u>1,387,702</u>	<u>21,737</u>	<u>162,776</u>	<u>171,482</u>	<u>1,743,697</u>
NET BOOK VALUE					
At 31 August 2016	<u>17,630,688</u>	<u>36,055</u>	<u>141,999</u>	<u>45,852</u>	<u>17,854,594</u>
At 31 August 2015	<u>17,840,181</u>	<u>41,834</u>	<u>194,650</u>	<u>75,415</u>	<u>18,152,080</u>

Included in land and buildings is freehold land at valuation of £2,779,529 which is not depreciated.

14. DEBTORS

	2016 £	2015 £
Trade debtors	21,788	3,237
VAT repayable	46,560	32,604
Other debtors	1,601	199
Prepayments and accrued income	190,024	124,592
	<u>259,973</u>	<u>160,632</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Loans	38,272	39,272
Trade creditors	126,363	35,977
Other taxation and social security	120,473	96,877
Other creditors	128,319	144,891
Accruals and deferred income	51,997	53,414
	<u>465,424</u>	<u>370,431</u>

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	2,750	6,437
Resources deferred during the year	9,342	2,750
Amounts released from previous years	(2,750)	(6,437)
	<u>9,342</u>	<u>2,750</u>
Deferred income at 31 August 2016	<u>9,342</u>	<u>2,750</u>

Included within loans is £721,152 (2015: £751,424) relating to an amount due to Swindon Borough Council and relates to a building refurbishment project that was completed pre conversion. The loan is unsecured and interest free. £30,272 (2015: £30,272) of the loan is due for repayment in less than one year.

Included within loans is a Salix loan relating to amount loaned by the EFA to the Academy to refit the boiler in the gymnasium. The loan is unsecured and interest free. The balance of this loan at the year end is £44,000 (2015: £53,000), of which £8,000 (2015 £9,000) of the loan is due for repayment in less than one year.

**16. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £	2015 £
Loans	<u>726,880</u>	<u>765,152</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
BETWEEN ONE AND TWO YEARS		
Loans	<u>38,272</u>	<u>38,272</u>
BETWEEN TWO AND FIVE YEARS		
Loans	<u>114,816</u>	<u>114,816</u>
OVER FIVE YEARS		
Loans	<u>573,792</u>	<u>612,064</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	<u>573,792</u>	<u>612,064</u>

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	836,521	527,010
Financial assets measured at amortised cost	57,274	49,196
	<u>893,795</u>	<u>576,206</u>
Financial liabilities measured at amortised cost	<u>1,085,905</u>	<u>990,809</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors, the Salix loan and the loan owed to Swindon Borough Council.

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	100,584	149,313	(64,021)	-	-	185,876
RESTRICTED FUNDS						
General Annual Grant (GAG)	169,899	6,352,466	(6,151,973)	(38,406)	-	331,986
High needs funding	-	637,723	(637,723)	-	-	-
Donations	-	27,086	(27,086)	-	-	-
Pupil premium	-	210,351	(210,351)	-	-	-
Other DfE/EFA grants	-	39,998	(15,000)	(24,998)	-	-
National college income	-	36,555	(36,555)	-	-	-
Maths hub	33,000	35,000	(34,528)	-	-	33,472
Trips income	-	128,797	(128,797)	-	-	-
National Leaders in Governance income	-	2,000	(428)	-	-	1,572
Other restricted income	-	14,247	(14,247)	-	-	-
Pension reserve	(1,194,000)	-	(83,000)	-	(1,090,000)	(2,367,000)
	<u>(991,101)</u>	<u>7,484,223</u>	<u>(7,339,688)</u>	<u>(63,404)</u>	<u>(1,090,000)</u>	<u>(1,999,970)</u>

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	12,567,050	-	(240,835)	-	-	12,326,215
Fixed assets purchased from GAG and other restricted funds	112,417	-	(56,728)	8,134	-	63,823
Devolved formula capital	85,910	-	(52,923)	24,998	-	57,985
Capital grants	5,386,703	203,978	(111,674)	-	-	5,479,007
Loan with Local Authority	(751,424)	-	-	30,272	-	(721,152)
	<u>17,400,656</u>	<u>203,978</u>	<u>(462,160)</u>	<u>63,404</u>	<u>-</u>	<u>17,205,878</u>
Total restricted funds	<u>16,409,555</u>	<u>7,688,201</u>	<u>(7,801,848)</u>	<u>-</u>	<u>(1,090,000)</u>	<u>15,205,908</u>
Total of funds	<u><u>16,510,139</u></u>	<u><u>7,837,514</u></u>	<u><u>(7,865,869)</u></u>	<u><u>-</u></u>	<u><u>(1,090,000)</u></u>	<u><u>15,391,784</u></u>

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school.

High needs funding (SEN) funding is received from the EFA to cater for pupils with learning difficulties and other disabilities.

Pupil premium funding represents funding received from the EFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers. Schools also receive funding for children who have been looked after continuously for more than six months, and children of service personnel. Pupil premium will also fund a Summer School Programme for disadvantaged pupils to support their transition to secondary schools.

Devolved formula capital grants represent funding from the EFA to cover the maintenance and purchase of the Academy's assets.

Other DfE/EFA grants consist of funding from the EFA to support the preparation of financial returns and budgets.

National income consists of funding received from the National College for Teaching and Leadership and amounts relating to consultancy and initial teacher training.

Maths hub income relates to funding received to create a new maths facility at the Academy. The carried forward amount here relates to an amount to be spent in the 2016/17 academic year.

National Leaders in Governance (NLG) income relates to funding received to reimburse the expenses of staff attending NGL training sessions. The carried forward amount here relates to an amount to be spent in the 2016/17 academic year.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS (continued)

Other restricted income relates to the various other restricted funding received and expensed in the year.

Other Local Government funding consists of RPA Project and Protocol income received from Swindon Borough Council.

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

FIXED ASSET FUNDS

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

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG funding received from the EFA, a donation from the Charles Adam Prize Fund and donations towards mini buses received in the year.

Capital grants represent funding received to build the Sixth form facility.

The loan with the Local Authority represents amounts owed to Swindon Borough Council. See note 16 for detail.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	17,854,594	17,854,594	18,152,079
Current assets	185,876	838,182	72,436	1,096,494	687,643
Creditors due within one year	-	(435,152)	(30,272)	(465,424)	(370,431)
Creditors due in more than one year	-	(36,000)	(690,880)	(726,880)	(765,152)
Pension scheme liability	-	(2,367,000)	-	(2,367,000)	(1,194,000)
	<u>185,876</u>	<u>(1,999,970)</u>	<u>17,205,878</u>	<u>15,391,784</u>	<u>16,510,139</u>

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(28,355)	(374,886)
Adjustment for:		
Depreciation charges	462,160	447,229
Dividends, interest and rents from investments	(1,578)	(818)
Profit on the sale of fixed assets	(1,224)	-
(Increase)/decrease in debtors	(99,341)	678,397
Increase/(decrease) in creditors	94,250	(439,270)
Capital grants from DfE and other capital income	(156,540)	(114,303)
Defined benefit pension scheme cost less contributions payable	37,000	51,000
Defined benefit pension scheme finance cost	46,000	42,000
Net cash provided by operating activities	352,372	289,349

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	836,521	527,010
Total	836,521	527,010

22. PENSION COMMITMENTS

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

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

Contributions amounting to £32,778 were payable to the schemes at 31 August 2016 (2015: £34,062) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £529,365 (2015: £432,305).

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

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £388,000 (2015: £403,000), of which employer's contributions totalled £311,000 (2015: £322,000) and employees' contributions totalled £77,000 (2015: £81,000). From April 2017 the employers contribution rate will increase from 19.3% to 23% for a 3 year period. In addition to this there will be a percentage added on each year for the pension deficit recovery. From April 2017 the school will pay a total of 24.4% employer contribution, from April 2018 a 25% contribution and from April 2019 a 25.6% contribution.

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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,314,000	1,739,000
Debt instruments	482,000	367,000
Property	386,000	294,000
Cash	32,000	49,000
	<u>3,214,000</u>	<u>2,449,000</u>
Total market value of assets	<u>3,214,000</u>	<u>2,449,000</u>

The actual return on scheme assets was £521,000 (2015: £100,409).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(348,000)	(373,000)
Net interest cost	(46,000)	(42,000)
	<u>(394,000)</u>	<u>(415,000)</u>
Total	<u>(394,000)</u>	<u>(415,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	3,643,000	3,148,000
Current service cost	348,000	373,000
Interest cost	147,000	124,000
Contributions by employees	77,000	81,000
Actuarial losses/(gains)	1,323,000	(52,000)
Benefits paid	43,000	(31,000)
	<u>5,581,000</u>	<u>3,643,000</u>
Closing defined benefit obligation	<u>5,581,000</u>	<u>3,643,000</u>

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	2,449,000	2,020,000
Interest income	101,000	82,000
Actuarial gains and (losses)	233,000	(25,000)
Contributions by employer	311,000	322,000
Contributions by employees	77,000	81,000
Benefits paid	43,000	(31,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>3,214,000</u>	<u>2,449,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	7,508	7,508
Between 1 and 5 years	5,631	13,139
	<hr/>	<hr/>
Total	<u>13,139</u>	<u>20,647</u>

24. RELATED PARTY TRANSACTIONS

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

The Headteacher and other staff members are the Trustees of the Charles Adam Prize Fund, a charity with the objective of holding investments to provide dividend income for the Academy's science facility. During the year the Academy received a donation of £18,189 (2015 - £Nil) from the Fund.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

25. 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.

26. GENERAL INFORMATION

The Commonweal School is a company limited by guarantee, incorporated in England and Wales. The registered office is Old Town, The Mall, Swindon, Wiltshire, SN1 4JE.

27. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2016 the Academy received £23,039 and disbursed £14,043 from the fund. The remaining £8,966 is included within other creditors at the year end.

**THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

28. FIRST TIME ADOPTION OF FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		16,858,025	16,510,139
Total funds reported under FRS 102		<u>16,858,025</u>	<u>16,510,139</u>

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £
Net income (expenditure) previously reported under UK GAAP		(333,886)
Pension interest cost		<u>(41,000)</u>
Net income (expenditure) before other gains and losses reported under FRS 102		<u><u>(374,886)</u></u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest charge, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £41,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.