

Company Registration Number: 07682819 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

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

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Trustees

J Bakker, Chair^{1,3,4}
M Williams, Vice Chair (resigned 31 December 2016)^{1,4}
R Linnegar, Headteacher (appointed 1 September 2017)
K Defter, Headteacher (resigned 31 August 2017)^{1,3,4}
J Birnie²
J Bourne
P Clarke (resigned 19 May 2017)¹
A Edwards²
J Evans³
A Fidan¹
E Ford²
D Mason, Chair of Curriculum^{2,4}
G Parmenter¹
J Pinn (resigned 9 May 2017)²
D Skinner, Chair of Finance & Planning^{1,4}
N Weaver³
L Whetman²
G Williams²
D Wilson, Vice Chair^{3,4}

- 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

R Linnegar

**Senior management
team**

K Defter, Headteacher & Accounting Officer to 31 August 2017
R Linnegar, Associate Headteacher to 31 August 2016, Headteacher &
Accounting Officer from 1 September 2017
P Battye, Assistant Headteacher
C Drew, Acting Deputy Headteacher
S Cutler, Assistant Headteacher
J Matcham, Assistant Headteacher, Head of Sixth Form
L Forrester, Assistant Headteacher
J Sear, Business Manager
J Woods, SMT Associate
N Bartlett, SMT Associate
A Merk, SMT Associate

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2017**

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

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 19 in Swindon. It has a pupil capacity of 1,450 and had a roll of 1,438 in the school census on 16 September 2017.

The Commonweal School is a genuinely comprehensive 11 -19 mixed secondary school in the Old Town Community of Swindon. Students on roll 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 2017, the school has;

- 20 students in the Physically Impaired Unit; and
- 21 students in the SPLD Unit

The school's inclusivity is also reflected by the fact that it has 1 visually impaired student, 21 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 2017 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 Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of The Commonweal School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Commonweal School. Details of the Trustees who served throughout the year are included in the Reference and Administration Details on pages 1 - 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

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 pupils. 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; and

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

- 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, Head of Sixth Form, three Assistant Headteachers, the Business Manager, and three 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 2017 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;

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

- 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 2016– August 2017**

1. Academic performance:

Key Stage 4

In 2017 new style GCSEs and new accountability measures were launched. In addition the points allocated to each grade when calculating Attainment 8 and Progress 8 scores were changed. As a result direct year on year comparisons are not possible.

The reformed measures are shown below:

Year	Attainment 8 score	Progress 8 score
2015 – previous measure	48.5	0
2016 – previous measure	50.1	0.1
2017 – reformed measure	45.1	-0.2

The new measures launched in 2017 are shown here:

Measure	% of students achieving grade 4+	% of students achieving grade 5+
English	68	56
English Literature	70	52
Maths	66	44
English & Maths	61	40
Ebac	22	18
English Language or Literature	74	63

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For comparison the discontinued measures are below:

	2017	2016	2015
Students	225	224	218
% of students achieving 5xA*-C	67	69	62
% of students achieving 5xA*-C (4+) E&M	59	63	60
% of students achieving 5xA*-G	97	96	97
% of students achieving 3xA*-A (7+)	22	21	22
% of students achieving 1xA*-G	99	98	100

Key Stage 5

Below is exam data for the first two years of the Sixth Form (C6)

Key Measures	2016	2017
A*-B (A-Level) %	58	32
A*-E (A-Level) %	100	96
2+ A*-E (A level) %	95	75
AAB in 2 facilitating subjects %	7	3
3+ A-E or Equivalent %	84	58
2+ A*-E or Equivalent %	95	81
AIPS Progress T-score (1-9)	4/9	6/9

2. Student performance:

- Curriculum changes / new syllabi: work completed, syllabi in place for September 2017 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 and in general;
- Homework: good progress made, but some further work to be completed to fully meet target;
- Toolkit: in place and working effectively;
- 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 with introduction of TEEP programme; 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.

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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 Executive Strategic Partnership formed, still keeping a watching brief on possible formation of a MAT;
- Ofsted-readiness: full review of SEF showed good progress. Further work to be carried out on Behaviour for Learning, outcomes, teaching and learning and Sixth Form provision;
- 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 147 joining Year 12 in September 2017. A full PAN of 230 admitted into Year 7.

Objectives met: some areas requiring further work to embed changes, as reflected in the 2017-2020 School Development Plan.

4. Support Functions:

- Budget: tight control maintained throughout the year, with effective and regular monitoring of performance and cash flow. Savings made to improve the school's financial position, continued cuts in funding by the Local Authority and introduction of the new National Funding Formula 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 successful, and CCTV upgrades complete;
- Ongoing review of communication & financial systems (e.g. School Gateway & BACS): Continued push for all stakeholder to use the School Gateway for online payments and trip information. BACS fully operational;
- Procurement: comprehensive processes carried out for a number of contracts, as identified in the Value for Money review on page 2-3 of the Governance Statement; and
- Recruitment & retention of staff: all posts successfully filled with high quality staff for September 2017, 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 Commissioner'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 forgoing 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 seventh year of operation and has met the forecast number of students. Numbers are steadily increasing as the Sixth Form enters its fourth 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 stabilise over time, with 149 students starting in Year 12 in September 2016 and 147 starting in September 2017.

Examination results for 2017 represented a drop in GCSE results, with 59% of students gaining 5 or more A*-C grades including English and Maths (compared with 63% in 2016).

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

Leadership and management:

- Improve the delivery of the changing curriculum and assessment systems;
- Improve the delivery for relatively new subject leaders; and
- Continue to improve outcomes.

Personal development, behaviour and welfare:

- Reduce the amount of low level disruption by further developing The Behaviour for Learning programme;
- Improve the issues of Mental Health; and
- Improve the alternative support for complex vulnerable students.

Teaching learning and assessment:

- Continue to eliminate the disconnect between teaching and exam outcomes;
- Continue to improve the transition between KS2 and 3; and
- Continue to improve the provision for PP students.

Outcomes

- Continue to reduce in house variation – focus on Science, Business Studies and Computing;
- Continue to improve the application of knowledge into exam success; and
- Improve the outcomes for Boys / PP and Progress 8.

6th Form Provision

- Continue to consolidate and secure numbers in the 6th Form;
- Secure good outcomes across all subjects; and
- Embed enterprise and employability.

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 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.

Exclusions in 2016-2017 were significantly lower than both national and local levels. A total of 35 students were excluded during the year with an overall figure of 57 fixed term exclusions. The average length of exclusion was 1.6 days. This represents a drop in exclusions from 2015-2016 reflecting well on our ethos of inclusion and our Behaviour for Learning initiative. Two permanent exclusions were made. Student attendance remained high as a result of effective procedures and sanctions put in place. The attendance rate was at 95.2% by the end of the year.

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

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 £59,841 and £217,263 respectively.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for September 2017 were 1,438, an increase of 94 over 2016. It is anticipated that this number will stabilise, as numbers in the Sixth Form stabilise between 280 and 300.

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

	Target	Actual	2015-2016
Total revenue income per student	£6,185	£5,457	£6,183
Ratio of staff costs to revenue income	78.5%	78.3%	77.1%
Ratio of GAG to total revenue income	89.5%	74.9%	81.7%

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.

FINANCIAL REVIEW

Financial Review

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

The 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 2017, total expenditure of £8,252,859 was covered by recurrent grant funding from the DfE, together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £463,530.

At 31 August 2017 the net book value of fixed assets was £17,469,857 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.

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

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 for staffing in the main school and Sixth Form, refurbishment of student toilets (as part of a capital bid), essential maintenance 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 Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial – the Academy has considerable reliance on continued Government funding through the ESFA. The Academy is aware of the uncertainty the implementation of new National Funding Formula, due to come into place from as early as September 2018, may have on the school's funding. 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 continued 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.

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**TRUSTEES' REPORT (continued)
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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 freeze on the Government's overall education budget, changes in funding arrangements from the new National Funding Formula including funding for High Needs and increasing employment and premises costs mean that budgets will continue to be increasingly tight in coming years.

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, however numbers have stabilised over the past two years. The Academy will continue to support any additional revenue costs associated with the programme in order to ensure that the full range of courses can be offered. It is anticipated that sustained numbers in the Sixth Form will make it 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 is available from the Clerk to Trustees.

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**TRUSTEES' REPORT (continued)
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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 4 December 2017 and signed on the board's behalf by:

J. Bakker

Dr Jokie Bakker
Chair of Trustees

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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 7 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	7	7
M Williams (resigned 31 December 2016)	2	2
K Defter, Headteacher (resigned 31 August 2017)	5	7
J Birnie	6	7
J Bourne	4	7
P Clarke (resigned 19 May 2017)	3	4
A Edwards	4	7
J Evans	6	7
A Fidan	5	7
E Ford	4	7
D Mason, Chair of Curriculum	7	7
G Parmenter	5	7
J Pinn (resigned 9 May 2017)	1	4
D Skinner, Chair of Finance & Planning	7	7
N Weaver	4	7
L Whetman	5	7
G Williams	5	7
D Wilson, Vice Chair	7	7

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 2015-16 Trustee Report and Annual Accounts; approval of the 2017-18 budget; approval of selected supplier for the school meals contract to include the Sixth Form Café.

During the year P Clarke resigned as a governor at the Academy and hence left the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bakker	6	6
P Clarke (resigned 19 May 2017)	5	5
A Fidan	5	6
D Skinner	6	6
J Bourne	6	6

GOVERNANCE STATEMENT (continued)

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.

Approved by order of the members of the Board of Trustees on 4 December 2017 and signed on their behalf, by:



**Dr Jokie Bakker
Chair of Trustees**



**R Linnegar
Accounting Officer**

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Commonwealth School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



**R Linnegar
Accounting Officer**

Date: 4 December 2017

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

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

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

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

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

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

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

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

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



Dr Jokie Bakker
Chair of Trustees

Date: 4 December 2017

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

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

OPINION

We have audited the financial statements of The Commonweal School for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy'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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: 14/12/17

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

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

In accordance with the terms of our engagement letter dated 11 January 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Commonweal School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Commonweal School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Commonweal School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Commonweal School and the ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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



Joseph Scaife FCA DChA (Reporting Accountant)

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

Date: 14/12/17.

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

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	38,189	8,757	782,389	829,335	306,066
Charitable activities	3	23,388	7,238,267	-	7,261,655	7,481,436
Other trading activities	4	35,134	-	-	35,134	48,434
Investments	5	1,252	-	-	1,252	1,578
TOTAL INCOME		97,963	7,247,024	782,389	8,127,376	7,837,514
EXPENDITURE ON:						
Charitable activities		66,576	7,741,941	444,342	8,252,859	7,865,869
TOTAL EXPENDITURE	6	66,576	7,741,941	444,342	8,252,859	7,865,869
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	31,387	(494,917)	338,047	(125,483)	(28,355)
		-	(30,272)	30,272	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		31,387	(525,189)	368,319	(125,483)	(28,355)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,041,000	-	1,041,000	(1,090,000)
NET MOVEMENT IN FUNDS		31,387	515,811	368,319	915,517	(1,118,355)
RECONCILIATION OF FUNDS:						
Total funds brought forward		185,876	(1,999,970)	17,205,878	15,391,784	16,510,139
TOTAL FUNDS CARRIED FORWARD		217,263	(1,484,159)	17,574,197	16,307,301	15,391,784

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

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		17,469,857		17,854,594
CURRENT ASSETS					
Debtors	14	342,058		259,973	
Cash at bank and in hand		1,346,350		836,521	
		<u>1,688,408</u>		<u>1,096,494</u>	
CREDITORS: amounts falling due within one year	15	<u>(618,356)</u>		<u>(465,424)</u>	
NET CURRENT ASSETS			<u>1,070,052</u>		<u>631,070</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,539,909</u>		<u>18,485,664</u>
CREDITORS: amounts falling due after more than one year	16		<u>(688,608)</u>		<u>(726,880)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,851,301</u>		<u>17,758,784</u>
Defined benefit pension scheme liability	22		<u>(1,544,000)</u>		<u>(2,367,000)</u>
NET ASSETS			<u><u>16,307,301</u></u>		<u><u>15,391,784</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	59,841		367,030	
Fixed asset funds	18	17,574,197		17,205,878	
		<u>17,634,038</u>		<u>17,572,908</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,544,000)</u>		<u>(2,367,000)</u>	
Total restricted funds			<u>16,090,038</u>		<u>15,205,908</u>
Unrestricted funds	18		<u>217,263</u>		<u>185,876</u>
TOTAL FUNDS			<u><u>16,307,301</u></u>		<u><u>15,391,784</u></u>

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:

J Bakker

Dr Jokie Bakker
Chair of Trustees

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

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

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

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(180,072)</u>	<u>352,372</u>
Cash flows from investing activities:			
Interest received		1,252	1,578
Proceeds from the sale of tangible fixed assets		394	2,000
Purchase of tangible fixed assets		(55,862)	(163,708)
Capital grants from DfE/ESFA		782,389	156,540
Net cash provided by/(used in) investing activities		<u>728,173</u>	<u>(3,590)</u>
Cash flows from financing activities:			
Repayments of borrowings		(38,272)	(39,271)
Net cash used in financing activities		<u>(38,272)</u>	<u>(39,271)</u>
Change in cash and cash equivalents in the period		509,829	309,511
Cash and cash equivalents brought forward		<u>836,521</u>	<u>527,010</u>
Cash and cash equivalents carried forward	21	<u>1,346,350</u>	<u>836,521</u>

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

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

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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 £93,328 (2016: £99,561) and cash of £Nil (2016: £Nil).

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

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.

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

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 EXPENDITURE

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

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

1. ACCOUNTING POLICIES (continued)

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.

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.

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

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

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 income / expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 AGENCY ARRANGEMENT

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 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.

**THE COMMONWEAL SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy trust 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. INCOME FROM DONATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	38,189	8,757	-	46,946	102,088
Capital Grants	-	-	782,389	782,389	203,978
	<u>38,189</u>	<u>8,757</u>	<u>782,389</u>	<u>829,335</u>	<u>306,066</u>
<i>Total 2016</i>	<u>75,002</u>	<u>27,086</u>	<u>203,978</u>	<u>306,066</u>	

THE COMMONWEAL SCHOOL
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	6,075,668	6,075,668	6,352,466
Pupil Premium	-	232,007	232,007	210,351
Other DfE/ESFA grants	-	55,716	55,716	39,998
	<u>-</u>	<u>6,363,391</u>	<u>6,363,391</u>	<u>6,602,815</u>
Other Government grants				
High Needs	-	614,743	614,743	637,723
Pupil Premium Local Authority	-	11,916	11,916	-
	<u>-</u>	<u>626,659</u>	<u>626,659</u>	<u>637,723</u>
Other funding				
Educational visits income	-	97,629	97,629	128,797
Other	23,388	150,588	173,976	112,101
	<u>23,388</u>	<u>248,217</u>	<u>271,605</u>	<u>240,898</u>
	<u>23,388</u>	<u>7,238,267</u>	<u>7,261,655</u>	<u>7,481,436</u>
<i>Total 2016</i>	<u>24,299</u>	<u>7,457,137</u>	<u>7,481,436</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	35,134	-	35,134	48,434
	<u>35,134</u>	<u>-</u>	<u>35,134</u>	<u>48,434</u>
<i>Total 2016</i>	<u>48,434</u>	<u>-</u>	<u>48,434</u>	

THE COMMONWEAL SCHOOL
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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,252	-	1,252	1,578
<i>Total 2016</i>	1,578	-	1,578	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Activities:					
Direct costs	5,418,226	-	520,235	5,938,461	5,678,054
Support costs	940,824	697,676	675,898	2,314,398	2,187,815
	6,359,050	697,676	1,196,133	8,252,859	7,865,869
<i>Total 2016</i>	6,029,312	704,601	1,131,956	7,865,869	

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension income	27,000	23,000
Educational supplies (including educational visits)	375,522	441,035
Examination fees	112,332	103,758
Other costs	5,381	2,470
Wages and salaries	4,199,749	4,065,240
National insurance	402,046	337,797
Pension cost	816,431	704,754
	5,938,461	5,678,054
<i>Total 2016</i>	5,678,054	

THE COMMONWEAL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	24,000	23,000
Staff development	47,610	32,125
Supply support staff	313	8,756
Recruitment and support	7,702	10,664
Maintenance of premises and equipment	69,601	59,477
Cleaning	198,505	146,072
Rent and rates	32,150	32,424
Energy costs	109,620	114,366
Insurance	41,963	36,174
Security and transport	19,981	21,581
Catering	62,114	53,798
Technology costs	35,641	30,820
Office overheads	51,223	46,780
Legal and professional	200,145	174,270
Bank interest and charges	165	117
Governance	28,812	22,466
Wages and salaries	671,500	697,523
National insurance	50,264	41,959
Pension cost	218,747	173,283
Depreciation	444,342	462,160
	2,314,398	2,187,815
<i>Total 2016</i>	<u><u>2,187,815</u></u>	

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	444,342	462,160
Auditors' remuneration - audit	7,500	7,500
Auditors' remuneration - non-audit	2,250	2,250
Operating lease rentals	7,508	7,162
	<u><u>461,600</u></u>	<u><u>479,072</u></u>

Included within expenditure for the year is the write off of an unrecoverable debt of £5,180 (2016: £Nil).

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,866,898	4,762,763
Social security costs	452,310	379,756
Operating costs of defined benefit pension schemes	1,035,178	878,037
	<u>6,354,386</u>	<u>6,020,556</u>
Apprenticeship levy	3,917	-
Supply teacher costs	313	8,756
Staff restructuring costs	434	-
	<u><u>6,359,050</u></u>	<u><u>6,029,312</u></u>

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

	2017 No.	2016 No.
Teachers	88	79
Teaching assistants	50	50
Administration and other support	57	49
Management	11	9
	<u>206</u>	<u>187</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	79	75
Teaching assistants	30	30
Administration and other support	34	39
Management	11	8
	<u>154</u>	<u>152</u>

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0
In the band £110,001 - £120,000	0	1

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 £803,329 (2016: £676,532).

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10. STAFF COSTS (continued)

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 (2016: 4) Trustees in respect of defined contributions pension schemes.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. The value of Trustees' remuneration and other benefits was as follows: K Defter, Remuneration £55,000 - £60,000 (2016: £115,000 - £120,000) Employer's Pension £5,000 - £10,000 (2016: £15,000 - £20,000); G Williams, Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000) Employer's Pension £5,000 - £10,000 (2016: £5,000 - £10,000); L Whetman, Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000) Employer's Pension £5,000 - £10,000 (2016: £5,000 - £10,000) and N Weaver, Remuneration £20,000 - £25,000 (2016: £20,000 - £25,000) Employer's Pension £0 - £5,000 (2016: £0 - £5,000).

During the period ended 31 August 2017, expenses totalling £2,111 (2016: £2,441) were reimbursed to 4 Trustees (2016: 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 2017 was £1,314 (2016: £1,276).

THE COMMONWEAL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	19,018,390	57,792	304,775	217,334	19,598,291
Additions	33,819	-	3,660	24,191	61,670
Disposals	-	(4,200)	-	-	(4,200)
At 31 August 2017	<u>19,052,209</u>	<u>53,592</u>	<u>308,435</u>	<u>241,525</u>	<u>19,655,761</u>
DEPRECIATION					
At 1 September 2016	1,387,702	21,737	162,776	171,482	1,743,697
Charge for the period	366,593	5,359	50,517	21,873	444,342
On disposals	-	(2,135)	-	-	(2,135)
At 31 August 2017	<u>1,754,295</u>	<u>24,961</u>	<u>213,293</u>	<u>193,355</u>	<u>2,185,904</u>
NET BOOK VALUE					
At 31 August 2017	<u>17,297,914</u>	<u>28,631</u>	<u>95,142</u>	<u>48,170</u>	<u>17,469,857</u>
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>

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

14. DEBTORS

	2017 £	2016 £
Trade debtors	9,782	21,788
VAT repayable	50,413	46,560
Other debtors	3,601	1,601
Prepayments and accrued income	278,262	190,024
	<u>342,058</u>	<u>259,973</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Loans	38,272	38,272
Trade creditors	173,885	126,363
Other taxation and social security	113,769	120,473
Other creditors	231,777	128,319
Accruals and deferred income	60,653	51,997
	<u>618,356</u>	<u>465,424</u>

**THE COMMONWEAL SCHOOL
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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	9,342	2,750
Resources deferred during the year	18,517	9,342
Amounts released from previous years	(9,342)	(2,750)
Deferred income at 31 August 2017	<u>18,517</u>	<u>9,342</u>

At the balance sheet date the Academy was holding funds received in advance for rates to be spent in 2017/18.

Included within loans is £660,608 (2016: £721,152) 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 (2016: £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 ESFA 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 £36,000 (2016: £44,000), of which £8,000 (2016: £8,000) of the loan is due for repayment in less than one year.

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

	2017 £	2016 £
Loans	<u>688,608</u>	<u>726,880</u>

Included within the above are amounts falling due as follows:

	2017 £	2016 £
BETWEEN ONE AND TWO YEARS		
Loans	<u>38,272</u>	<u>38,272</u>
BETWEEN TWO AND FIVE YEARS		
Loans	<u>110,816</u>	<u>114,816</u>
OVER FIVE YEARS		
Loans	<u>539,520</u>	<u>573,792</u>

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

	2017 £	2016 £
Repayable by instalments	<u>539,520</u>	<u>573,792</u>

THE COMMONWEAL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	1,346,350	836,521
Financial assets measured at amortised cost	166,908	57,274
	<u>1,513,258</u>	<u>893,795</u>
Financial liabilities measured at amortised cost	<u>(1,015,337)</u>	<u>(1,006,606)</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) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	185,876	97,963	(66,576)	-	-	217,263
RESTRICTED FUNDS						
General Annual Grant	331,986	6,075,668	(6,369,065)	(30,272)	-	8,317
High needs funding	-	614,743	(614,743)	-	-	-
Pupil Premium	-	232,007	(232,007)	-	-	-
Other DfE/ESFA grants	-	39,271	(39,271)	-	-	-
Year 7 catch up	-	16,445	(16,445)	-	-	-
Maths hub	33,472	58,000	(41,520)	-	-	49,952
Trips income	-	97,629	(97,629)	-	-	-
National Leaders in Governance income	1,572	-	-	-	-	1,572
Donations	-	8,757	(8,757)	-	-	-
Other restricted income	-	104,504	(104,504)	-	-	-
Pension reserve	(2,367,000)	-	(218,000)	-	1,041,000	(1,544,000)
	<u>(1,999,970)</u>	<u>7,247,024</u>	<u>(7,741,941)</u>	<u>(30,272)</u>	<u>1,041,000</u>	<u>(1,484,159)</u>

THE COMMONWEAL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	12,326,215	-	(209,391)	-	-	12,116,824
Fixed assets purchased from GAG and other restricted funds	63,823	-	(24,310)	-	-	39,513
Devolved formula capital	57,985	25,758	(5,348)	-	-	78,395
Capital grants	5,479,007	756,631	(205,293)	-	-	6,030,345
Loan with Local Authority	(721,152)	-	-	30,272	-	(690,880)
	<u>17,205,878</u>	<u>782,389</u>	<u>(444,342)</u>	<u>30,272</u>	<u>-</u>	<u>17,574,197</u>
Total restricted funds	<u>15,205,908</u>	<u>8,029,413</u>	<u>(8,186,283)</u>	<u>-</u>	<u>1,041,000</u>	<u>16,090,038</u>
Total of funds	<u>15,391,784</u>	<u>8,127,376</u>	<u>(8,252,859)</u>	<u>-</u>	<u>1,041,000</u>	<u>16,307,301</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	100,584	149,313	(64,021)	-	-	185,876
	<u>100,584</u>	<u>149,313</u>	<u>(64,021)</u>	<u>-</u>	<u>-</u>	<u>185,876</u>
RESTRICTED FUNDS						
General Annual Grant	169,899	6,352,466	(6,151,973)	(38,406)	-	331,986
High needs funding	-	637,723	(637,723)	-	-	-
Pupil Premium	-	210,351	(210,351)	-	-	-
Other DfE/ESFA 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
Donations	-	27,086	(27,086)	-	-	-
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>

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

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>16,510,139</u>	<u>7,837,514</u>	<u>(7,865,869)</u>	<u>-</u>	<u>(1,090,000)</u>	<u>15,391,784</u>

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

RESTRICTED FUNDS

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

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

Pupil premium funding represents funding received from the ESFA 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 ESFA to cover the maintenance and purchase of the Academy's assets.

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

National College 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.

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.

**THE COMMONWEAL SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

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 ESFA, 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 and, in the current year, CIF funding to build a new music block.

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	17,469,857	17,469,857
Current assets	217,263	675,925	795,220	1,688,408
Creditors due within one year	-	(588,084)	(30,272)	(618,356)
Creditors due in more than one year	-	(28,000)	(660,608)	(688,608)
Pension scheme liability	-	(1,544,000)	-	(1,544,000)
	<u>217,263</u>	<u>(1,484,159)</u>	<u>17,574,197</u>	<u>16,307,301</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(125,483)	(28,355)
Adjustment for:		
Depreciation charges	444,342	462,160
Interest received	(1,252)	(1,578)
Loss/(profit) on the sale of fixed assets	1,671	(1,224)
Increase in debtors	(82,085)	(99,341)
Increase in creditors	147,124	94,250
Capital grants from DfE and other capital income	(782,389)	(156,540)
Defined benefit pension scheme cost less contributions payable	167,000	37,000
Defined benefit pension scheme finance cost	51,000	46,000
Net cash (used in)/provided by operating activities	(180,072)	352,372

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	1,346,350	836,521
	1,346,350	836,521

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 2016.

Contributions amounting to £69,670 were payable to the schemes at 31 August 2017 (2016: £32,778) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £544,172 (2016: £529,365).

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

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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 2017 was £405,000 (2016: £388,000), of which employer's contributions totalled £324,000 (2016: £311,000) and employees' contributions totalled £81,000 (2016: £77,000). 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. The agreed contribution rates for employees is 5.5 - 12.5%.

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

Principal actuarial assumptions:

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

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate -0.5%	727,000	711,000
Salary Increase +0.5%	157,000	290,000
Pension Increase +0.5%	556,000	396,000

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,868,000	2,314,000
Debt instruments	565,000	482,000
Property	525,000	386,000
Cash	81,000	32,000
Total market value of assets	4,039,000	3,214,000

The actual return on scheme assets was £1,041,000 (2016: £521,000)

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

	2017 £	2016 £
Current service cost	(491,000)	(348,000)
Interest income	71,000	101,000
Interest cost	(122,000)	(147,000)
Total	(542,000)	(394,000)

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

	2017 £	2016 £
Opening defined benefit obligation	5,581,000	3,643,000
Current service cost	491,000	348,000
Interest cost	122,000	147,000
Employee contributions	81,000	77,000
Actuarial (gains)/losses	(625,000)	1,323,000
Benefits paid	(67,000)	43,000
Closing defined benefit obligation	5,583,000	5,581,000

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22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	3,214,000	2,449,000
Interest income	71,000	101,000
Actuarial losses	416,000	233,000
Employer contributions	324,000	311,000
Employee contributions	81,000	77,000
Benefits paid	(67,000)	43,000
	<u>4,039,000</u>	<u>3,214,000</u>
Closing fair value of scheme assets	<u>4,039,000</u>	<u>3,214,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	5,631	7,508
Between 1 and 5 years	-	5,631
Total	<u>5,631</u>	<u>13,139</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 £4,053 (2016: £18,189) from the Fund.

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.

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27. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the Academy had a carry forward of £8,921, received £23,729 and disbursed £23,638 from the fund. The remaining £9,012 is included within other creditors at the year end.